

FINANCIALTIMES

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Monday March 5 1979

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GENERAL Rioting

flares

Bottles and stones were

The President's Gaulist alies and the Left wing opposition are pressing for a parliamentary debate following increasingly

violent protests by groups of workers against Prime Minister

Raymond Barre's economic policies. There are 1.3m jobless

Demands for the Sullom Voe

oil terminal to be shut antil

ing throughout Shetland as fears

grow, particularly among environmental groups, that the islands may become per-

A secret wisit to Saudi Arabia by two Pakistan Government

Ministers and a senior army

to the fate of Mr. Bhutto, the

ruler, to rescue Mr. Bhutto from

the hangman's noose. Page 2

The River Ouse burst its banks

at York, flooding many roads

and several houses and 180 hotel

guests had to be ferried to higher ground by the RAC Rescue Service. The flood was

the result of a thaw which sent

Hundreds of demonstrators

gathered outside Winchester

Prison to protest at the deten-

tion of race rebel Robert Relf who has been on a hunger

strike since January 31. Relf.

54, is serving a 15 month jail sentence for publishing material

President Idi Amin declared his

wife Sarah the best woman com-

mander in the Ugandan armed

forces after she led a women's

military unit through heavy fire

without his knowledge. An

is still reported to be advancing.

Lovers of the high life dis-

covered that the Iranian revolu-

caviar. Callers at a state caviar

shop found armed guards at the

door. Shop assistants said sales

of the luxury food had been

best-known product after oil-

High lifers lose

likely to incite racial hatred.

Top soldier

York flood

river levels soaring.

Race protest

Pollution fears

Bhutto move

nies about overse verament stock aggerated. And it he en risky to lounch i the ore thing thorities could be could be iout. So for the own level has been let Belfast

iscount house Rioting flared in Belfast as Clustered abound in L500 Republican sympathisers igland, the City marched in support of the Maze passes traditional prison's H block inmates who are seeking political status, the which they may from the Falls Road, were halted in the city centre. I. However there is on the edge of the city centre of even these seems by a strong police cordon.

The beginning in fast and strong police cordon. hurled at police. A car park ported its west to were ripped apart to provide ammunition.

tement three the Giscard faces d his fireness in crisis decision. er that the President Valery Giscard te was inched in D'Estaing returned from an at and here were a official visit to Mexico to face. market who is a delicate decision on whether nid have 10 to 10 in to call an emergency session of have any impact a Parliament on France's unemployment crisis.

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わょせ: w hate shor! :. C TIS D ioris. CD: or nem (c) a discount e been at 150

temporarily suspended. Briefly ...

Fifty fish were caught in London's River Thames—the largest catch yet in the capital's annual angling match.

UK news—general 4 & 5

Management page 12

Technical page

After the devolution

1951 revisited—taxes and

referendums 18

incentives 19

—labour

MP demanded setting up of a Royal Commission on animal protection following news of sidiary, Reads, is to build a the killing of 48 "smoking flom can manufacturing plant

BUSINESS

Industry gloom ahead

about prospects for the economy has fallen into its lowest level since the end of 1976.

The latest Financial Times survey of business opinion shows that strikes, inflation prospects, the low level of world trade and the Government's apparent inability to create a sound economic and industrial climate are all contributing to industry's gloom:

The results of the survey are broadly in line with those of the CBFs monthly trends inquiry published a month ago and point to an easing in demand pressures. Back and

• DRUG manufacturers have begun cutting off supplies of prescription medicines to wholesalers in an attempt to enforce pharmaceutical resale price

Smith Kline and French, a U.S.-based producer. has stopped supplying Macarthys, one of the largest UK drugs wholesalers, and Beecham has reduced normal discounts offered on NES prices. Back

 FINANCIAL position of the company sector is likely to deteriorate further this year, leading to an acceleration in demand for bank loans, according to a survey from Barclays Bank Page 4

manently polluted with oil. • THREE of Britain's largest finance houses — Mercantile Credit Combard North Central and Forward Trust-are to seek the status of recognised banks under the provisions of the Banking Bill, Page 4 general is believed to be related

former Prime WORLD EUROMARKET Minister. King Khaled of Saudi- grew at a record rate to more Arabia recently appealed to than \$800hn in the third quarter General Zia; Pakistan's military of 1978, according to Bank of International, Settlements figures. Page 35

• SHIPREILDING nations of the developed world meet in Parts this week to discuss possible changes in credit arrangements governing the building of new ships. Page 5

• OPEC PRESIDENT has said that the Middle East oil exporting countries may consider blacklisting oil companies who have taken unfair advantage of the Iranian cutback in supplies of crude to sell refined oil products at high prices to Arab producers. Page 2

• SHELL TRANSPORT and Trading shareholders group hopes to put a resolution at the ing the part played by the com-pany in breaking oil sanctions against Rhodesia. Page 4

 BL Coventry dispute involv-300 Triumph machinists could spread throughout the company, following BL's threat to dismiss all those who did not report for normal work today.

• THOMSON CSF, the French electronics group; has broken into the international telephone equipment market with a con-tract from the Soviet Union, tion had touched the country's believed to be worth more than \$100m. The contract, for the supply of technology and manufacturing plant, is the first overseas sale of modern digital switching equipment since the company moved into the market three years ago.

> • ROLLS-ROYCE plans a new £5m factory at Pallion in Sunderland to cope with increased demand for its RB211 engines.

• AMOERICAN CAN'S UK subsidiary, Reads, is to build a beagles" used to test a tobacco at Runcorn on Merseyside. Page

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FT SURVEY

Insurance broking 15-26

Japan: Import missions

Week in the courts

Britain and China sign £7bn economic tactics for co-operation pact

BY JOHN ELLIOTT in Peking

Britain and China signed a £7bn economic co-operation agreement last night in Peking. It is intended to pave the way for major UK contracts in China's massive industrialisation programme.

backed up by a new £2.5bn line Mr. Varley's delegation.
of credit in dollars, supported
by the Export Credits Guarantee on the flights may be re-Department on behalf of the Government.

China's increasing concern's bout the amount of foreign debt she is on the verge of running up with major overseas orders has meant that no firm contracts or detailed industrial protocols are attached to the agreement.

The £7bn figure falls short of the £10bn target set by the Department of Industry in London.

The signing of the agreement marked the end of a nine-day visit to China by Mr. Eric arley, the Industry Secretary, and a delegation of ten leading industrialists, each of whom has laid the ground for possible future business.

Just before the signing Mr. Varley met Mr. Hua Guofeng, (Hua Kuo Feng) the Chinese Premier, and discussed both the agreement and the Vietnam

Various initiatives have been aunched during the visit, and the prospect of direct British Airways flights between London

The five-year agreement is a result of representations by Britain hopes that agreement on the flights may be reached when Dr. David Owen, the

Foreign Secretary, visits Peking One of the first contracts to be signed after Mr. Varley's visit is likely to be a £60m steel plant order for Davy Interna-tional.

This is part of a joint venture to start a £500m modernisation of the Peking Shoudu steelworks, with British Steel Corporation which itself has sold 350,000 tonnes of steel to

China in the past 12 months. The corporation aims to raise this figure to 1m tonnes by the mid-1980s. It is also hoped soon win a design contract for a £500m alloy steel plant, and will submit other major bids later this month.

Mr. Variey welcomed the agreement as a "challenging framework for the expansion of trade." but admitted he would have liked a higher figure than the £7bn, the same amount as that agreed recently between France and China.

Premier Hua made clear during his talks with Mr. Varley and Peking has drawn nearer as that China was concerned about

for major overseas orders, especially in the early years of industrialisation. He added, however, that the

f7bn figure ought to be exceeded, said Mr. Varley. The new credit arrangements were drawn up during the past week by Mr. Ken Cotterul, of

the Export Credit and Guarantee Department, at the request of the Chinese. An exchange of letters is to take place committing the Government, through the ECGD,

to support credit of £2.5bn until 1985, raised by UK clearing and merchant banks. This will absorb a £600m facility arranged at the end of last year by the ECGD and the

Bank of China with seven groups of UK banks. It will include credit facilities planned by Britain's five clearing banks for steeli projects and by four merchant banks led by S. G. Warburg for coal projects. The details of how the money

will be arranged have yet to be finalised, but promises already made by the banks for some £6.6bn on possible steel projects which is now unlikely to be

Continued on Back Page World Trade News, Page 3

Begin tells US to consult Egypt on peace deadlock

THE U.S. 'should now consult Egypt's insistence that its treaty close to questioning whether

Egypt on how to break the dead- with Israel should be subordi- the U.S. was any longer playnegotiations, Mr. Menahem Begin, the Prime Minister of Israel said yesterday, making it clear his talks with President Carter since Thursday had made very little progress.

President Carter admitted last

night that three formal sessions with Mr. Begin "didn't make any progress."

Mr. Begin said on U.S. tele-vision: "As long as we did not solve the major issues, there is a major crisis. He disagreed, sharply with President Carter's assessment last week that the differences still dividing Egypt and Israel were "absolutely insignificant."

went to " the heart of the peace treaty.'

talks with the U.S. President had virtually come to an end, although he said they were due to meet again later yesterday. The White House provided no immediate confirmation of this. There would have to be

very serious reflection by all " in the negotiations, Mr. Begin said, stressing confidently that he saw no tragedy in the continued delay in reach-

ing an agreement.
While he called Mr. Carter "an honest man and my The Israell Premier said friend "Mr. Begin came very allies.

ing the between Egypt and Israel. Some progress had beer

Mr. Begin, in an intransigent achieved, Mr. Begin said, parmood, seemed to indicate his ticularly on Article Four of the proposed treaty. This concerns implementation of its terms and Israeli withdrawal from the occupied territory of Sinai. Egypt has sought to link

implementation of the treaty to movement towards autonomy for the Palestinian Arabs in the West Bank of the Jordan and the Gaza Strip. But the Israeli leader said more talks would be needed on Article Six, concerning Egypt's desire to attach a rider relating the treaty to Cairo's obligations to its Arab

Callaghan prepares survival

By Philip Rawstorne

MR. JAMES CALLAGHAN WILL open discussions with the Cabinet and Labour MPs this week on the Government's tactics for salvaging authority from the ruins of its devolution policy. Mr. Michael Foot and the Government's business managers will also begin informal talks

on devolution with leaders of the minority parties A decision on the Govern nent's next move is unlikely before next week. Dr. David Owen, Foreign Secretary, said vesterday that the Cabinet would not be rushed into action.

Conflicting pressures on the Government built up rapidly over the weekend, however.

Leaders of the Labour Party in Scotland urged the Prime Minister last night to go ahead with devolution for Scotland in spite of the narrow referen dum majority.

But Mr. Callaghan will be pressed by other Labour Min-isters and MPs this week to abandon further attempts to seek deals with the minority parties that would enable the Government to cling to office

That would entail acceptance that the devolution scheme is lead and should be disposed of formally by a free vote in the Commons.

More and more Labour back-benchers are convinced that it would be counter-productive for the Government to seek to extend its life by negotiating another deal with the Ulster Mr. Eric Heffer, a leading

Left-winger and former Industry Minister, reflected a widely held view yesterday when he said that the Government should challenge the Opposition parties to unite against it. Mr. Gordon Wilson, Scottish

National Party MP for Dundee, East, said that Ministers would be given 14 days to put the Government's full weight behind the proposals in the Communs.

Liberals, in spite of by-elecdisasters last week, reaffirmed their intentions to force an early general election. Mrs. Margaret Thatcher, Leader of the Opposition, who declared at the weekend that it would be "the final insult" if the Government tried to implement its devolution plan, is poised to force a confidence vote in the Commons as soon as possible.

Mrs. Thatched speech, Page 5 Edizorial comment, Page 20 Left-wing manifesto demands. Back Page

Iran pledge on foreign investments

BY ANDREW WHITLEY & ANTHONY MCDERMOTT IN TEHRAN

IRAN HAS announced that it Ayatollah Khomeini's economic will stand by and meet all adviser, has earlier called for its foreign commitments, and the revocation of "unnecessary foreign business concerns have been told their investments are safe and more will be welcome.

This first authoritative state-ment of economic policy by the new Government was made in Tehran by Dr. Mohammed Ali Mowlavi, the recently-appointed governor of Bank Markazi Iran, the central bank.

The governor's address was clearly aimed at reassuring the West that economic stability was returning and that the troubled banking system would be rescued and strengthened. He also denied there were any immediate plans for nationalising foreign and local banks.

Oil exports, meanwhile are to resume today after a shutdown lasting over two months, costing Iran \$5bn (nearly £4bn) according to official esti-

Mr. Amir Entezam, the Government representative, said at his regular Press briefing that exports would be pushed up to 6m barrels a day initially. to demonstrate Iran's capacity to a sceptical outside world. before dropping back to a new.

conservation-oriented level. While countries, banks and companies in the West will find the economic policy statement encouraging, it needs considerable qualification. First, the Government of Dr.

Mehdi Bazargan, its policies and appointments remain open to doubt until it has full authority in the country.

Mr. Abol Hassan Bani-Sadr, a

radical economist designated as

Second, reassurances towards the West will not please Leitwing groups.

Thirdly, Dr. Mowlavi an-nounced he had set up a com-mittee to study the question of banking according to Islamic law, under which interest in the traditional sense is abolished Khomeini has specifically called

On the controversial question of the large number of representutive offices of foreign banks in Tehran, Dr. Mowlavi said they were free to continue, but would be subject to closer Supervision. Surrounded by the hardline

strike committee which has effectively run the central bank recently, the governor, a former ambassador to the EEC, said: No Third World country can exist without foreign investments. He criticised, but did not

" certain well-known foreign banks clusely associated with Iran in the past" for causing problems for the country's hanking system during the unrest.

long-standing link be dollar is likely to be cut formally in the near future. The central bank governor said the Iranian currency should be floated against the dollar, Judging by the present free market rate, this would mean an effective 30 per cent devaluation from last summer

· A new breed of political

Oil shipments to U.S. will resume this week

BY DAVID LASCELLES IN NEW YORK

arrangement is expected to be shipped to the U.S. this week.

December. The buyer is Ashland Oil, the which was reported last weekalong with several other U.S. oil companies — to have been approached by the National Iranian Oll Company. Ashland said its tanker will

be loaded during this week, but it would not disclose how much oil it was buying, nor what the price was cent of its supply as a It said: "While prices are the Iranian shutdown.

THE FIRST consignment of somewhat higher than official tradian oil ordered under the OPEC prices, these prices are Government's pricing considerably below the spot prices many of the major oil companies are now paying to the first import since late obtain crude supplies." purchase was described as part of a long-term contract Ashland large independent company had with the Iranian company. The sale is thought to be Iran's first to the U.S. since it

announced it would no longer

sell oil through the foreign

consortium that marketed Iranian oil under the Shah. Ashland is not a member of that

consortium. The U.S. has lost about 5 per cent of its supply as a result of

Cash limits 'could save £1bn'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

TIGHT APPLICATION of cash limits on public spending could save at least fibn of potential excess expenditure caused by wage settlements above the Government's original pay guidelines, officials in Whitehall

This estimate is of key importance in determining the size of tax increases and any expenditure changes other. needed in the Budget in order to keep public-sector borrowing below £8.5bn in 1979-80. A joint Treasury and Civil

Service Department study has been made of the extent to which public-sector pay rises above 7 per cent can realistically be offset through manpower savings-for example, natural wastage-and hence how far cash limit ceilings may have to be adjusted.

This follows the statement ten days ago by Mr. Joel Barnett, Chief Secretary to the Treasury, that a substantial pro- adjustments in cash limits on per cent.

portion of any excess cost from high pay deals will have to be absorbed within existing limits. Officials believe that savings of at least £1bn, and possibly as much as £1.5bn, can be achieved through a reduction of

some manpower costs and also through tight controls on the purchase of bought-in goods from the private sector, about half of all public spending. Cash limits are not being adjusted to take account of a faster rate of price increase on these nonitems than previously

Such a squeeze would achieve back-door cuts in the volume of spending and would reduce the scale of any fiscal action in the

pay, has produced a sceptical view among certain City analysts, who will be watching closely to assess the plausibility of the Budget projections.

Until the study on cash limits is complete, further work on the main monetary and fiscal features of the Budget cannot be finished, and apparently no major decisions have yet been taken by Mr. Denis Healey, the Chancellor.

He will, anyway be in the U.S. for most of this week in his role as chairman of the interim committee of finance ministers of the International Monetary Fund, which is meeting in Washington on Wednesday.

• The clearing banks are ex-The official calculations are pected to announce early this inevitably tentative since the week cuts of between half a main central government pay point and one point in their claims have still to be settled. base lending rates from the Hence the extent of any changes present 131 per cent, following is unknown, and this, together last week's one-point cut in with the loophole about possible Minimum Lending Rate to 13

Britain 'holds key to EMS'

BY IONATHAN CARR IN BONN

BRITAIN IS now seen by action on MCAs as the price holding the key to formal introof the European Monetary System, delayed since Minister. January by a dispute over

agricultural financing. farm prices would, it is felt, create enough room for negotiating manoeuvre to allow the main obstacle to the system to

The rise would permit West Germany to make a start on reducing its Monetary Compensatory Amounts in EEC farm trade without cutting the This would both satisfy the

Paris, as some recent reports authoritative sources in Bonn as for the start to the monetary have suggested.

> meeting in Brussels or at next European Council The British, together with Commission, demand a price freeze as part

of a drive to solve the problem of farm produce surpluses. The sources insist that the

The central banks of both countries, as well as those of

the other EMS members, have agreed to put the system into effect very shortly after accord on the farm issue has been reached. This attitude is said to have

been confirmed at the recent meeting in Parls between Chancellor Helmut Schmidt and President Valery Giscard d'Estaing. However, it is clear that the meeting did not bring a solution to the farm problem which would have allowed British opposition on a price increase to be skirted.



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FEATURES

World Econ. Ind.... Base Landing Rates

ANNUAL STATEMENT Rentokii Group ... 3 INTERIM STATEMENT PROSPECTUS FFI (Warburg) ...

incomes of its farmers. French, who have demanded

system, and be acceptable to Herr Josef Ertl, the Bonn However, there remain strong doubts whether Britain will be

Agreement by Britain to a ready to agree to a rise, either small rise in Common Market at today's farm ministers' session in Paris. the European

> farm issue is the only one delaying the monetary system, not second thoughts about the whole project, either in Bonn or in

Farmers need 15 per cent rise, Back Page

China promises an 'early' withdrawal from Vietnam

Meanwhile the unnatural calm

along Thailand's eastern border

since the Vietnamese conquest of neighbouring Cambodia in

early January was shattered as

fighting spilt across the frontier.

A Thai military spokesman said

that the battle was between

Cambodian forces loyal to the

ousted premier Pol Pot and the

Hanoi-backed government of Heng Samrin.

strike resumes

By Stewart, Daiby in Dublin

IRELAND IS facing a week of

bad communications disruption.

as the 13.000 members of the

Post Office Workers' Union re-

sume their strike for a pay in-

This means that from today no

operator-manned tele-

mail at all will be dilevered, and

phones and telexes will shut

down. Direct dialling, both on phones and telexes, will be possible, but the experience of

that pressure on telephones,

because of the increased direct

dialling, has meant long delays,

supposed to have ended on Mon-

day a week ago, but during the

past eight days postmen, especially in Dublin have been

on a wildcat strike, and little

mail has been delivered in the

capital area. The new official

strike, due to start today, is an

A week-long strike was

past fortnight has shown

Irish post

BY RICHARD NATIONS IN BANGKOK

"CHINA WILL withdraw its divisions—the 308th—may well forces from Vietnam "shortly" shake the Chinese appetite to the Chinese Chairman Mr. Hua punish its recalcitrant southern Kuofeng told the British Minister of Industry Mr. Eric border fighting,

-Varley in Peking yesterday. The Chairman's remarks came the day after the New China an imminent withdrawal" and News Agency proclaimed victory said that on the contrary six News Agency proclaimed victory in Lang Xon—a critical battle reinforced divisions had been arena in North-eastern Vietnam sent into the battle area near -and unconfirmed reports circulated among Peking's diplomats that Chinese forces had initiated a unilateral ceasefire and begun a withdrawal towards their own borders.

After a 90 minute meeting with the Chinese Chairman Mr. Varley told reporters that Mr. Hua had emphasised that the Chinese "don't want an inch of Vietnamese territory, that . it is a very limited action they have taken, that withdrawal will take place shortly."

Diplomatic sources here say that since Saturday the Chinese control the key terrain in the mountains surrounding the rail and road junction between the Chinese border and Hanoi, 85 miles south-east and for the moment this appears a clear Chinese victory.

But there are no "convincing signs" that the Chinese are withdrawing. On the contrary fighting is continuing south of along the ridgelines which dominate the main road which winds through the mountains for another 18 miles before levelling out into the plains of the Red River delta cradling the Vietnam's stratetic Hanoi-

Although Chinese troops are trying to clear out Vietnamese artillery positions three to four miles south of Lang Xon, it is unclear whether there is any intention to advance large infantry columns further down

Diplomats here, however, believe that the victory at Lang Xon—a battle into which Hanoi threw one of its best mainforce indefinite one.

Western plan for Namibia rebuffed

By Quentin Peel in John PROSPECTS FOR acceptance of the UN ceasefire in Namibia (South West Africa) by today's

neighbour after 16 days of deadline seem to have evaporated this weekend in spite of a mission by three Radio Hanoi yesterday poured scorn on Peking's claims "about Ambassadors Western persuade the internal parties in the territory to give the plan their blessing.

Both South Africa and the South West Africa People's Organisation (SWAPO) have objections to the outstanding UN proposals. It also looks certain that the major pro-South African party in Namibia, the Democratic Turnhalle Alliance, will today set out its own reservations mirroring the South African Government

As if to provide himself with further ammunition for a rejection, or at least highly qualified acceptance, Mr. Pik Botha, the South African Foreign Minister, announced last night that there had been "an act of sabotage" on the railway line eight miles south of Windhoek. An explosion had damaged the track. Mr. Botha said the act "confirms once more that SWAPO has no interest in the peaceful settle-

The British, U.S. and West German Ambassadors to South Africa flew to Windhoek on Saturday when it appeared that the internal parties, including the DTA and the middle-of-the road Namibia National Front, were still perturbed about the UN plan. The major objections vision for effective monitoring of SWAPO guerrilla bases in neighbouring countries, and the suggestion that SWAPO-should be allowed designated bases inside Namibia.

The final decision on the easefire plan is up to the South African Government, but it is unlikely to go in the face of

Fears of upsurge of inflation in Hong Kong

THE HONG KONG money the Government for allowing its warnings given last week in the budget by the Financial Secre-tary Mr. Philip Haddon-Cave of the consequences of such a growth. Loans of licensed banks rose 4.3 per cent over the pre-vious month to BK\$55.08bn, up 45 per cent on the 12 previous months. Money supply rose 5.5 per cent in the month and M2 by 3.7 per cent to HK\$76.1bnsome 26 per cent above year ago

Part of the rate of increase was attributed to the Chinese New Year which fell at the end of January.

There is growing-criticism of

supply and credit continued to own spending to accelerate—it expand rapidly in January. is estimated that it will rise by Latest figures underlined the 37 per cent in the fiscal year ending March, way above budget expectations.

The increase is partly attributed to the desire of the Governor, Sir Murray Maclehose to achieve planned targets in housing and public works conall economic conditions.

The financial sector is now

waiting to see how ruthlessly the Financial Secretary uses new powers he is taking to influence liquidity. Meanwhile the ratio of loans to deposits has reached a level close to that seen in the final days of the

Boycott threat over rise in refined product prices

BY KATHLEEN-BISHTAWI

DR. Mana Said Al Oteiba, President of OPEC, and Oil Minister of the United Arab Emirates has raised the prospect of blacklisting oil companies who have taken advantage of the shortage of Iranian crude and sold

refined oil products at inflated prices to Arab producers. He will suggest boycotting such companies at the consulta-tive OPEC meeting planned in Geneva on March 26. Asked what action he hoped would be taken against companies who found themselves on such a blacklist, he replied "We won't sell them oil."

Dr. Otelba was speaking to journalists on the opening day of the first Arab energy con-ference which began here yesterday. In his welcoming

shortages appeared owing to the situation in Iran.

Dr. Oteiba also proposed linking continued oil supplies with a pro-Palestinian solution to the Arab-Israeli conflict. His warning to the Western

oil companies was echoed by Sheikh Ali Khalifa al Sabah, the Kuwaiti Oil Minister and president of the OPEC organ-isation. "I hope the companies will take the warning and he more moderate in their profits,"

he told journlists.

Mr. Izzidine Mabrouk, the
Libyan Oil Minister, revealed
that Libya had applied a further increase in oil prices retroactive from February 20. Earlier this month, the Libyans increased their crude prices by 68 cents, but the new increase would increase the January list price address, he bitterly criticised increase the January list price the suppliers of refined oil products who had put up their prices by 80 per cent since the meeting in December.

Iran's new breed of political prisoner

By Andrew Whitley and Anthony McDermott in Tehran

Since dawn some 300 people had been crowding outside Qasr, Tehran's largest jail, waiting in vain to visit or even contact arrested relatives who are mainly senior civil servants and army

They told a story of arbitary arrests, administrative buck-passing and lack of any responsible judicial control, which is being repeated across the country. The revolution has not unleashed a reign of terror, but reliable sources estimate that in Tehran alone about 2,000 people have been arrested in the past three weeks, of whom at least 45 are

Arrests are still continuing, at the rate of about 100 a day according to the prisoners' relatives. Most are subject to a cursory preliminary investigation in a Mosque by mullahs, Moslem clergymen, before transported to jails

At the jail a loudspeaker amounced the names of a few prisoners released the night before. Revolutionary militiamen, in a variety of uniforms, kept clear an open space in front of the main gates, occasionally frie mino gates, to hack you their efforts. the air to back up their efforts. Two British-built Ferret scout cars flanked the entrance.

For the anxious relatives the main problem was lack of information. "I don't know if my husband is alive or dead said the wife of an Army General arrested at his garrison in Tehran shortly after

Few visits, if any, had been allowed, and none since last Wednesday. Most of those we spoke to had no idea why their relatives had been arrested and what their fate was going to be. No one in the Khomeini Central Committee — the nerve centre of contemporary Iran—could help. A long queue was forming outside Qasr of those wanting to hand in bags of fruit, notes or a clean shirt. The atmosphere was one of bitterness mingled with helpless despair. "They are destroying the elite " commented one young man, prob-

ably accurately. As rival groups among the militia compete with each other for power, and even territory during the nighttime exchanges of fire, it is indicative of the chaos that more than 800 of the capital's 2,000 detainees appeared to have been picked up by local by mullahs, without any reference to the law. Cases of personal revenge are not Massoud Rajavi, the leader of the radical Islamic Mujaheddin Guerrillas, was picked up unbeknown to his captors, and held for two days.

Future trials are expected to be held before Islamic courts as opposed to the existing French-based system of justice. A "revolutionary prosecutor - general," Mr.
Mehdi Hadavi, was named
vesterday for the capital.
Members of the Bar Association, dominated by anti-Shah
dissidents, are still resisting the changeover.

Union setback in fight over recognition

By John Wyles in New York

THE NEWPORT News Shipbuilding and Drydock Company, a unit of Teneco Inc, appears to have won an important round in its battle to fend off recognition of the United Steel Workers of

A U.S. Court of Appeals in Richmond, Virginia, has found fault with the National Labour Relations Board's decision to certify the union as bargaining agent for more than 13,000 workers at the shipyard. More than 5,000 have been on strike since the end of January fol-lowing the company's refusal to bargain with the union on the grounds that it could not do so while challenging the NLRB

The company claimed that there were a number of irregularities in a representation election held a year ago in which local association which had represented the oworkers for 40 years. company's

The court of appeal has ordered the NLRB to hold a hearing into one possible irregu-larity and has said that if the company's case is sustained the election should be set aside. This would be a grievous

blow for the union which has already shown itself unable to achieve full solidarity for its strike. Moreover, its efforts at Newport News are seen as an important test of union efforts to organise in the south where their representation is

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Saudi visit raises hopes that Bhutto may escape hanging

BY CHRIS SHERWELL IN ISLAMABAD

IN A DRAMATIC development which is almost certainly related to the fate of Pakistan's condemned former prime minister Mr. Bhutto, two Government ministers and a senior Army general have paid a swift and secret visit to Saudi Arabia.

At the same time one of Mr. Bhutto's principal lawyers was due last Sunday night to see General Zia-ul Haq, the country's military ruler. It is thought that the meeting was a prelude to serious negotiations

which could ultimately rescue

Mr. Bhutto from the scaffold. The Saudi visit was officially to discuss maters of technical and economic co-operation.

Although the team did not apparently see King Khaled, the feeling in Islambad is that the visit was almost certainly related to Mr. Bhutto's fate. King Khaled recently appealed to General Zia to commute the death sentence.

The lawyer involved in the talks with General Zia, Mr. Abdul Hafeez Pirzada, is understood to have held talks with senior Army officials in recent days. Senior members of Mr. Bhutto's Pakistan People's Party have also let it be known that there have been moves to try and save the former Prime Minister's life. Mr. Pirzada is an old associate of Mr. Bhutto's, and a former Cabinet minister under Mr. Bhutto.

The developments come only a couple of days after General Zia announced that he would ablde by whatever decision the Supreme Court finally came to on Mr. Bhutto's fate. His declara. tion was viewed as effectively ruling out clemency. Even in the face of the flood of international appeals.

General Zia also contradicted a recent assertion that he would consult his Cabinet and military council when the decision finally came before him.

The two Cabinet ministers who visited Saudi Arabia were Mr. Agha Shahi, the adviser on foreign affairs, and Mr. Bhulam Ishaque Khan, the Finance Minister. They are regarded as the two most senior members of the Cabinet. The Army general, Maj. Gen. K. M. Arif, is General Zia's Chief of State and an influential figure in his ecretariat.

The Supreme Court is due to finish hearing the lengthy arguments of Mr. Bhutto's senior defence counsel for a review of the death sentence today. The most telling point to have been made so far is for a reduction of sentence, on the grounds that the court is split, that Mr. Bhutto did not actually do the murder of which he is accused, and that the victim was not the object of the

Afghan Muslim leader seeks refuge in Pakistan

embarrassing move for Pakistan's military government, a well known Afghan Muslim leader sought by the Socialist regime in Kabul has crossed the frontier and set himself up in exile in Peshawar. He has repeated his call for Jihad or Holy War against Mr. Nur Mohamed Taraki's rule, which he says has led to the execution and imprisonment of thousands of religious leaders in recent

The man is Miagul Jan Agha, a small, wizened and bespec-tacled man of 72 who has just spent 33 days trekking across mountains and hills from his village north of Kabul. The village, Tagab, in Parwan province, was raided by Afghan When they were beaten off by the villagers, jets and heli-

IN WHAT could prove to be an destroying his and neighbour ing houses.

At the time Miagul Jan was reported to have disappeared. It now transpires that he escaped into exile with 70 to 80 members of his family and hundreds of followers. His presence in Pakistan

could be an embarrassment for Pakistan's military government It already faces problems look-ing after tens of thousands of refugees who have left Afghanistan since the bloody coup of last April which brought the Taraki regime to power. Miagul Jan warms that thousands more of his followers will join him in Pakistan as a result of his departure.

The Pakistan Government which is said to have been Army soldlers who came to informed of Miagul Jan's arrest him on January 26. arrival in the country, has sought to maintain relations with Kabul on an even keel copters bombed the area, in the months since the coup.



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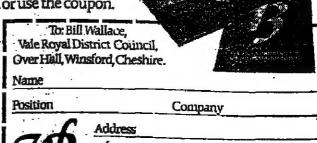
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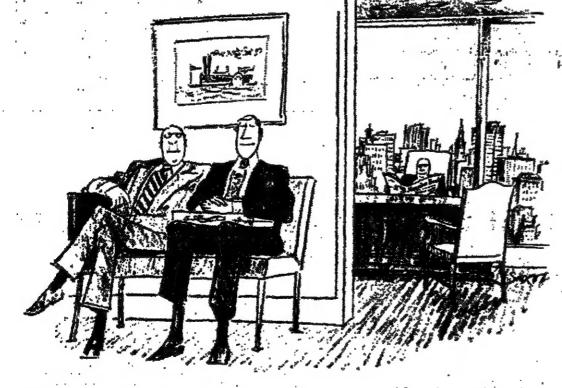
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INTERNATIONA	AL .	·
Austria	Jan. 2	2 Jan. 15
Greece	Feb.	5 Jan. 31
International Banking Annual	-	
(including foreign banking in U.S.)	Mar. 2	3 Mar. 12
Turkey	Apr.	6 Mar. 30
United Kingdom	Apr. 1	3 . Apr. 9
Canada	Apr. 3	
Japan	May 1	1 May 4
Bankers Association for Foreign Trade	May 1	5 May 7
Benelux	May 2	9 May 21
West Germany	June 1	5 June 11
Southeast Asia	June 2	9 June 22
Italy	July 7.	3 July 6
World's 500 Largest Banks —		
as of Dec. 31, 1978, with Midyear Review	july 2	5 july 13
World's 300 Largest Savings Banks —		
as of Dec. 31, 1978	Aug.	t July 23
Mexico	Aug. 2	Aug. 13
Nigerla	Aug. 2	Aug. 20
Scandinavia	Sept. 2	Aug. 31
France .	Sept. 12	7 Sept. 18
World Bank - International Monetary Fund -		•
Annual Conference	Oct. 7	Sept. 21
ABA International Banking Section —		
Circulated at New Orleans	. Oct. 10	Sept. 21
Spain ·	Oct. 22	
Middle East	Nov. 7	
National Foreign Trade Convention	Nov. 12	
South America	Nov. 19	
Portugal ·	Nov. 26	
Correspondent Banking Annual		
European Economic Community (FEC)	Dec.7	
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rusu and	Dec. 18	Dec. 12

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The only daily banking newspaper Established in 1836

Philippines

applies for

full GATT

membership

PHILIPPINES, one of ... the

handful of developing countries

which have not yet joined the

General Agreement on Tariffs and Trade (GATT) is likely to

become a member concurrently with the end of the Tokyo

Accession negotiations to determine the price that the Philippines Government should

pay to enter GATT are currently

underway here. The price to

be paid is in terms of tariff

and trade concessions given to

other contracting parties to bring national rules in line with

The Philippines is currently

GATT rules.

Round of trade negotiations.

lay March 5 1979

he developments (05 announced that he is by whatever details and Court Shalles reme Court analy e Was viewed as et ng out clemency has each of the diod of the eneral Zia also cons

cent asset still his Cabinet stop peil ware the By came before her the two Cabinet as Agha Shahi, the shage affairs, and the shape Khan, the shape Khan, the shape Khan, the shape They are read the Cabinet Senior in the Cabinet Killian Killian Killian Killian Killian Killian Influential Same an influential Same an influential dam he Supreme Count

in hearing the or defence county ew of the death s o. The most telling e been made to far setion of sentence ands that the count.
Mr. Bhutto did age the murder of which used, and that the not the object ! ged conspiracy.

n leader Pakistal An agreement has been signed with Siderurgica integrada SA (SIDINSA), a new

roying its and a state-owned company which is being formed to manage the t the time Wange plant. irted to pave can ; abers of his fact 🍇 presenta a S

istan's malifact are and remains this well

Jentre 1 Offices

itrial ate



Bhutto U.S. 'may play key role' in JCB plans hangin financing China's imports

U.S. INSTITUTIONS such as insurance companies may play a key role in financing China's imports from the West, according to a Bank of America report. While the Chinese will borrow the bulk of their requirements through Government agencies like Britain's Export Credit Guarantee Department in order to obtain subsidised rates of interest, these agencies require a down payment of 10-20 per cent, which the Chinese may also have to borrow.

The main world source of fixed. rate, long-term dollar loans, which the Chinese want, are the American institutional lenders. There is only a small amount of fixed rate, medium-term Eurodollars and these are usually limited to fiveyear maturities.

The Chinese apparently are insisting on dollar denomi-nated loans because of the projected weakness of the dollar and the expectation that their future oil export revenues will be in the same currency. They prefer fixed

Davy Corporation is to carry out the initial planning studies for the development of a new flat-rolled steel products plant

Davy said last night it was

hoped the association would in-

clude the exchange of technical information, the raising of

finance, and the supply of equip-

Argentina's current national

planning programme proposes

raising steelmaking capacity from the current level of 2.5m

tonnes a year to up to 10m tonnes a year by 1985.

Davy and British Steel are

already managing the building of a £600m steelworks in the Venezuelan state of Zulis

Davy is also leading an inter-

national consortium bidding for

the construction of this project.

rate financing because of the risks in floating rates, particubecause of their inexperience.

American Institutional lenders can make funding commit-ments of 10 years or more at fixed rates below even the prevailing base U.S. prime lending rate. Since these institutions are restricted from lending directly to foreign borrowers. American commercial banks would have to act as intermediaries.

The Chinese are likely to want to borrow the full cost of an enterprise to save them taking the 10 -20 per cent down payment out of their current foreign exchange reserves, which are already under preswith \$10bn worth of start-up projects planned for 1979-80,

the 10-20 per cent down payments could cost \$1bn-\$2bn, more than the total of some estimates of Chinese hard

to discuss syndicating major only from stocks.

buyer credits to a number of banks. Although China is new to the syndication market, the Bank of China has admitted quietly its willingness to meet the market documentation criteria to facilitate syndicating the larger credits.

German steel orders pick up

THE WEST German steel Indus try won a small increase in new orders last month, with the total rising 50,000 tonnes to 1.8m tonnes. Within this figures, domestic orders were up by 112,000 tonnes and those from other members of the EEC by 50,000 tonns. New orders from third countries, however, dropped by 113,000 tonnes.

Deliveries during January picked up from 1.2m tonnes to 1.4m tonnes, reflecting the end currency reserves.

Of the steel dispute, during the report also points out that which a substantial portion of suppliers should be prepared the industry could meet orders

UK car trade outlined Davy signs accord with FINANCIAL TIMES REPORTER Argentines

THE Department of Trade will below giving details of British continue to aid the UK motor trade in cars, were provided in industry in its export efforts and response to a Commons question keep a watch on foreign regula- on the balance of trade in cars tions which hinder those with Japan.

exports, according to Mr. The approximate UK share of Michael Meacher, Under-Secre- overseas car markets was given tary of State for Trade. for 1977, he said, because these
His assurance, and the table were the latest available figures.

1-1-1-	UK TRADE IN	CARS, 1978	Approx. U
	No. of exports to	No. of imports from	share of overseas
Russia	47	17 998	n.a.
Italy	8 959	102 036	19%
W. Germany	. 18 178	209 871	1%
US	56 193	2 332	10%
France	15 304	149 723	40/
Sweden	1 489	28 089	20/
Spain	294	26 744	less than
			1-10%
5. Africa	45,520	117	19%
Czechoslovakia, Bulga Hungary, Poland and Germany	i E. 383	15 1 <i>6</i> 7	n.a.
Yugoslavia and Roman	ia 787	2	n.a.
S. America	4 130	18	n,a,
Belgium/Luxembourg Algeria, Libya, Moro	CCD	73 524	21%
and Egypt	5 428	14	R.A.
Africa (excluding No African states	and :		
Africa (excluding No	rth and 14 395 3 393	25 168 192	. n.a. less than

joint India project

By Hazel Duffy in London and K. K. Sharma in New Delhi

J. C. Bamford Excavators will announce shortly that it is set-ting up a joint venture in India to operate its first manufacturing outlet outside the UK. Its partner in the venture is an Indian company called Escorts, which will have a 60 per cent stake in the new company to be known as Escorts JCB. The British company will be invest-ing £250,000 in the project initially.

The JCB excavator loader for

the Indian market will be similar to that made in the UK, and will be assembled in a new actory at Faridabad (25 miles outside Delhi), to be built for

The factory is scheduled to go into production next year, producing 80 machines in the first year of operation. This will build up to 245 machines a year when the project is completed in 5 years time. About a third of the compo-

nents will be supplied from J. C. Bamford's plant in Rocester, Staffordshire. The mainframe for the excaustor loader, which is universally known as the "JCB," will be made in India, as will the gearbox, which is a model produced by Hindustan Motors. The engine will be a Perkins P6, while the rear axles are to be

made by Escorts.

J. C. Bamford's reasons for setting up a joint venture in India stem from the 50 per cent import duty which is payable on such equipment imported into India, while it is also sometimes difficult to obtain import licences. At the same time, the company sees India as an increasingly attractive market for its machines, which are at the small to medium end of the range of construction equip-

—Escorts is a public company, which was founded by the Nanda family, and now makes a range of engineering products.

Racal move By Max Wilkinson

RACAL ELECTRONICS has formed a new company, Racal Recorders, to sell the group's communications and instrumen-Iran since December 26, and tation recorders in the U.S.

The company will start trading from April, when Racal Thermionic of Southampton will change its name to Racal Recorders. Sales of the two companies in the financial year to March 1980 are expected to ton were charged last week for total £8m, of which £1m will be fuel loaded in the Gulf. to March 1980 are expected to contributed from the U.S.

S. Africa seeks buyer credits to finance SASOL expansion

BY QUENTIN PEEL IN JOHANNESBURG

gas corporation (SASOL) aims to finance about 20 per cent of the R3.3bn (£1.9bn) expansion of its SASOL 2 oil-from-coal plant through export credits, Mr. . A. Stegmann, the managing director, said here.

This would provide some R655m of the estimated R1.3bn import content of the project, with SASOL hoping to place more than 60 per cent of the value of contracts with South African-based companies.

So far only the Fluor Corporation, the U.S. engineering and management services company, has confirmed its involvement in the expansion project. The other two major foreign companies inrolved in the original SASOL 2 -Deutsche Babcock France's Air Liquide-have made no comment.

South African officials are still being cautious on the prospect of gaining substantial export credit (buyer credits).bear-

SHIPPING REPORT

the end of last week in the

expectation that Iranian crude

oil would again be made avail-

The rates were steady early

in the week, although at depressed levels compared with

last year, as oil companies

attempted to obtain oil from

The week started with almost no inquiries for very large

(VLCC) and ultra large crude

carriers (ULCC). Rates stayed

at approximately Worldscale 20.

By the end of the week ULCC

vessels were tendering for busi-

ness at Worldscale 28 and

The possibility of a resump-

VLCCs at Worldscale 32.5 to 35.

tion in crude oil exports from

Iran was seen as a major event

by London tanker brokers.

resumption of deliveries would

The improved rates were

tempered by the rise, of up to

50 per cent, in the price of

owners. Rates of over £50 per

The instability in the Gulf

bunker fuel charged

aid a return to market stability.

Crude oil has not flowed out of France

other sources.

FREIGHT RATES rose on the markets was highlighted by oil tanker chartering market at British Petroleum's decision to

THE South African coal, oil and ing in mind the refusal by the processing of by-products at U.S. Export-Import Bank in SASOL's original Sasolburg 1976 to give Fluor a loan guaran tee for its part of the original

> major avenues of finance for the ability to oil sanctions - could expansion project, the others being State equity participation, finance from the State oil fund, and, for the first time, equity participation by the private

It is hoped that some of the oil majors operating in South Africa will take a stake in SASOL, with a view to perhaps pooling oil-from-coal technology. They point out that several companies, including Shell, BP and Total (Compagnie Française des. Petroles), have acquired considerable coal interests in South

Africa.

Another company which could be attracted by a stake is AECI. the chemical combine (in which Britain's ICI and South Africa's De Beers have equal shares) al- labour requirements on the pro-

Iran oil expectation boosts freight rates

The rates in the dry cargo

sector also moved up last week.

in response to rising bunker

fuel charges and to a rise in business with the end of the

• The Greek-owned merchant

aggregating 50.21m gross tons ing total at the end of last January, our cent.

fleet totalled 4,927 ships

discussions

World Economic Indicators

Jan. 79 1,339,2

211.5

5.5 300.9

UNEMPLOYMENT

Feb. 79 1,362.6

withdraw from

worst of the winter.

about chartering a VLCC.

But the political sensitivity of the project - designed to Export credits are one of four reduce South Africa's vulner-

prove a deterrent. Mr. Stegmann said the extension, to be built just one kilometre from SASOL 2, would produce petrol, diesel, LPG, kerosene and aviation fuel "in quantities which will as far as possible take into consideration

the relative market demands." He revealed that a plant to produce diesel and petrol from surplus supplies of creosote would also be included. Large quantities of ammonia and sul-phur would be available to the fertiliser industry.

The Bosjesspruit colliery, whose output is currently planned at 12m tons annually would be expanded to produce more than 27m tons. Peak ready involved in downstream ject would be 25,000.

Athens correspondent writes.

According to the Ministry of

Merchant Marine, 4,167 ships

totalling 37.10m gross tons were under the Greek flag and 760

vessels aggregating 13.11m gross

tons were under various foreign

The Ministry said 241 ships

totalling 3.09m gross tons hoisted the Greek flag in the

year ending January 31, increas-

ing total tonnage by 2.1 per

conducting two separate sets of negotiations here, one with the GATT Secretariat on procedural matters, and the other with individual countries who have made specific demands asking for changes in the Philippines' trade regime to conform to their rights under GATT.

The Manilla Government acceded to GATT provisionally in 1973, at the start of the Tokyo Round, to familiarise itself with GATT, and to ensure that the results of the Tokyo Round would not pose additional problems for its full member-

A provisional member gets the general benefit of most favoured nation treatment from other GATT members while not itself having to post a schedule of tariffs bound by agreed GATT rates. But it has none of the rights accorded by GATT membership, the most important of which are the right to equal treatment, and the right to complain and seek redress through GATT's dispute settlement

The Philippines is unlikely to encounter problems in meeting the tariff requirements of the existing GATT accord, because as a developing country it can side-step certain requirements on the ground that its indus-tries need protection to survive. In addition, the Philippines also benefits from the Generalised Scheme of Preferences (GSP) of the EEC and the U.S. These schemes will be made part of the new GATT accord now being negotiated as part of the Tokyo Round's discussions on the new legal framework. · To obtain GATT membership the Philippines will have to Oct. 77 show that its foreign trade

1,598.0 regime operates in a manner 8.0 consistent with GATT.

Do you know why we at Swissair haven't put in more seats? Because we hope for more passengers.

The chief job of management in any organization is decision-making. To do this honestly - in the best interests of staff and shareholders - it must put the question of outlay and earnings first.

But sometimes <u>decisions come up that look</u> as if they could be dealt with by the simple formula of "less outlay = more earnings", and at second glance they turn out to be dilemmas of principle.

One such decision was whether to fit our DC-10s and Jumbo jets with more seats, as many other airlines have done and are doing.

It was a great temptation to fit the economy class in the DC-10 with 9 instead of 8 seats abreast, and in the Jumbo with 10 instead of 9, which would mean 23 to 38 more seats per flight to sell.

But a closer look showed us what that would mean: in the DC-10 our passengers might have two people instead of one, at most, sitting next to them. In the DC-10 and the Jumbo they would have narrower armrests and less elbow room. They couldn't read their papers without folding them, couldn't relax as comfortably. The aisles would be narrower. The toilets would be in use by more people. The cabin crew would have to divide its attention amongst more passengers - less attention per passenger.

When we realized all these consequences, we were forced to consider that we are a service organization. And for a service organization as we understand it, the formula "more outlay = more earnings" may sometimes apply.

To hold our own with our airline colleagues, many of whom have larger fleets and are not private concerns like us, we must remain true to ourselves. And then what matters is not mainly how many passengers per flight we carry from A to B. What matters mainly is how we carry our passengers from A to B. How pleasantly, how conveniently, how luxuriously. It is not a matter of no consequence whether the hours between Boston and Zurich, say, were pleasant ones; they are part of life like any others.

These considerations finally decided us not to fit more seats in our DC-10s and Jumbos.

The Swiss way of putting it might be to say that the innkeeper who fries his grated potatoes (Rösti, we call them) in butter makes less money than the one who fries them in shortening.

But he may make it oftener.

swissair &

Kwik Save

£81,000 per

employee

By Our Consumer Affairs Correspondent

THE TREND tewards in

creasing concentration in the

retail sector was illustrated

yesterday in a new survey on the productivity and

prefitability of UK retailers.

The survey, by the Management Horizons company, found that the 20 largest retail companies had a com-

£10.5bn, representing about 28 per cent of total retail

The 450-page report lists the

companies achieving the highest return on assets and

sales productivity.
In the food sector, for example, J. Sainsbury leads

the productivity league as

measured by sales per square foot, achieving £314 in the year ended last March. Wait-

rose also comes out well with £260 per ft, and Asda shows

The ratio of sales per full-time employee is headed by Kwik Save, with £81.245. fol-lowed by Cartiers Superfoods with £52,942. Carrefour, Asda, William Morrison and Safeway also did well in this category, achieving sales per employee of between £36,000 and £41,000.

Good year

of footwear

FOR THE time being the British

footwear industry should remain

busy, says the British Footwear

Manufacturers Federation in its

latest quarterly review.
"How long this lasts depend:

on whether the very high level

of retail spending on footwear last year can persist this year

The danger is that high retail sales have been resulting in

ordering by distributors at a

level that cannot be sustained if

in a sharp rise in leather prices.

which may, as the rise works

through, affect demand for leather footwear.

"Given the possibility of a downturn at home, manufac-

turers who are doing the ground

work now for an increase in ex-

Official figures now available

that manufacturers

for the second half of last year

deliveries were about 84m pairs,

because labour with the right

skills is not available and partly

because the industry still lacks

confidence in its long-term

Over £11m has been com-

mitted by the industry in con-

nection with the Industry Act

assistance scheme but little of

this has been earmarked to ex-

Retail trade was unusually

good in the second half of 1978.

"For the first time in many

years footwear accounted for a

significantly increased share of

all spending, sales showing a

rise of 22 per cent over the second half of 1977."

pand physical capacity.

be grateful."

for sales

By James McDonald

turnover of some

takes

Company cash flows 'likely to be tight'

leading to an acceleration in of £4bn, against £2.7bn. demand for bank loans according to the UK financial survey from Barclays Bank.

The survey, published this morning by the bank's group economics department, warns that an acceleration in the demand for bank loans will not easily be accommodated, given the limits imposed by the official growth of the banks' operations.
Moreover, to the extent that
the relatively high overall
liquidity position masks
markedly contrasting positions between companies, the ability of the banks to intermediate is constrained by the corset.

. The financial position of com-panies is likely to be much more difficult in 1979, partly because of cyclical factors which will work against profits and cash flow and partly because the expocted behaviour of prices and costs will exert further downward pressure on domestic

Hence there is the prospect much greater financial deficit for the non-oil corporate sectors-perhaps double last year's total. It appears unlikely that long-term sources of funds will increase sufficiently to meet the extra demand for finance, and this will put pres-

sure on bank borrowing. This view reflects an increas-For instance, a new review from brokers Phillips and Drew pro-jects a rise in industrial and commercial companies' demand

Tories to consider

some council change

A CONSERVATIVE Govern-ment would review the need tives proposal to give a blanket for limited local government right to all council tenants to

reorganisation. Mr. Michael buy their homes was also

government conference in give local authorities the right London that talks have been in to transfer surpluses from hous-

progress to reconcile the county ling accounts to the general rate

associations over plans to Mr. Norman Fowler, Opposi-transfer power from the iton transport spokesman, said

counties to the larger non- on concessionary bus fares that Metropolitan district councils. a Conservative administration

expensive and divisive and individual local authorities the unlikely to produce benefits for choice on whether to give

the ratepayer. A Conservative elderly people concessionary

A working party from the candidates for the European three local authority associa- direct elections, Mr. Douglas

tions will examine the workings Hurd, Opposition spokesman on

of the Local Government Act, foreign affairs and chairman of

1973, and prepare proposals on the Conservatives' European the transference of powers for Election Campaign Committee.

party might consider changes Mr. Hurd said that an in planning, highways and exchange of views between local

Local government reorganisa- candidates would be "to the tion proved the main area of advantage of both sides."

Mr. Heseltine said that the Europe on local needs.

Shell sanction breaches

attacked by shareholders

A GROUP of Shell Transport shares in Shell, said yesterday

passes.

Big reorganisation would be would want to leave to

Heseltine, Opposition environ- criticised.

ment spokesman, said at the

He told the Conservative local

liovernment would seek to make

the existing machinery work

planning, highways and trans- said.

port from the counties to the

and Trading shareholders are

planning to put a resolution to

the annual meeting condemning-

the part played by the company

in breaking oil sanctions against

The resolution, drawn up by a shareholders' working party,

also calls for assurances from

the directors that "neither the company nor any subsidiary or

associate company will partici-pate directly or indirectly in the

supply of oil or oil products to

Nations sanctions last,

Rhodesia" as long as United

The working party, composed

Christian bodies that have the business agenda.

BY RHYS DAVID, TEXTILES CORRESPONDENT

supply in the battle against imfor a conventional yarn, ports, is being claimed by Thos. Imported yarn, which usually

Burnley, part of the Coats arrives undyed, is sold after

developed over two years at a The cost reduction for the

cost of £2m. and there is con- yarn, which is being made from

siderable secreey over the exact Monsanto's acrilan fibre, has

nature of the process. Details been achieved largely by cutting

are known to only a few senior labour costs involved by around

employees of the company and 50 per cent. This in turn is

customers have been told that thought to have been made pos-

The reason for the secrecy is which acrylic tow-the raw

high-bulk yarns for knitwear, Britain's second-largest pro-

becomes yarn.

heaton.

behind

has been around 235p per kilo.

of representatives of various

Rhodesia.

Paton group.

tion to be uncovered

the prospect that if it can stay

ahead of the competition,

Burnley could win a substantial

share of the UK market for

much of which has been taken

more effectively.

district councils.

and district local government fund.

THE FINANCIAL position of for external finance from £1.8bn brokers Joseph Sebag and Co. the company sector is likely to to £3.3bn between 1973 and 1979 say their "best bet is that Mr. deteriorate further this year, with additional bank borrowing Healey will do as little as

On the budgetary front, the brokers forecast public sector borrowing of between £9 bn and £10bn in 1979-80 on present policies and assuming a 14 per cent rise in average earnings in the current pay round. The or bank loans will not accommodated, given imposed by the official restrictions on the the banks' operations. employers' national insurance surcharge and indirect taxes.

Consequently, total output is expected to rise by only 1 to 11 per cent during 1979 after a 3 per cent rise in the previous 12 months. The current account should be in surplus by between £500m and £1bn.

Phillips and Drew also analyse the impact of the larger than expected rise in crude oil The brokers assume that an additional rise of 10 per cent in the oil price will reduce the growth of total output of industrial countries from a preriously projected 3 per cent to 23 per cent this year and to raise overall inflation projections from 71 to 8 per cent.

The UK will not be particularly badly hit with only an additional 4 per cent on the inflation rate and \$250m (£125m) on to the net import bill. In contrast this will add ‡ to 1 per cent on to the Japanese inflation rate ing concern within the City, an \$3bn on to its net imports. U.S. inflation will be increased by | per cent and het imports by

In their new gilt edged review,

Mr. Hugh Rossi, Opposition

spokesman on housing, said the Conservatives would want to

Local authorities should build

close links with Conservative

Councils must brief their

Conservative candidates for

authorities and the European

that the resolution was the only way of giving shareholders a

proper opportunity to express dissatisfaction with their com-

pany's involvement in breaking

It added that the company, its

bore a "particular responsibi-lity" for Britain's "national

failure" to implement sanctions

The resolution will be dis-

cussed at the annual meeting to

shareholders sign proposal forms requiring it to be put on

dycing in this country at

Thos. Burnley will make it as sible by simplification and a permanent, viable and difficult as possible for informa- modification of the large revitalised home source of

Burnley, based in Cleck-neaton. West Yorkshire, is

ducer of worsted hostery yarns,

Courtaulds.

be held on May 18 only if 100

Three large finance houses seek official status as banks

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

THREE OF the largest UK a bank when the Bill becomes finance houses will be seeking the status of recognised banks under the provisions of the Banking Bill, though finance pected to qualify for banking

possible, but claim that he has

done all that is necessary to

keep public sector borrowing at £84bn." But they warn that

possibility of an extensive fudge

shortfall assumptions - will

require more than usually care-

The brokers suggest that as

money supply, sterling M3, may have declined in the month to

Brokers de Zoete and Bevan

suggest that early, possibly sharp, falls in short-term interest rates could be partly reversed later in the year as

further and UK monetary policy

tightens once again. This would

occur if, as currently expected

the growth in UK nominal in-comes exceeds the targeted

growth path for the money

Brokers Panmure Gordon note

that it is possbile to argue that

monetary policy is currently

too restrictive and risks repeat

ing the overkill of 1974 when

tight monetary policy was superimposed on a cyclical downturn, while fiscal policy

ran out of control, produced peak inflation and a severe

squeeze on the corporate sector.

This time relief on stock appre-

ciation will act as a cushion but

the signs of cash flow and profitability stress are already

Regulations

EMPLOYERS will be required

to notify workplace accidents, dangerous incidents and ill-

health under regulations pro-

posed by the Health and Safety

Commission, expected to be

Mr. Bill Simpson, chairman

of the commission, told indus-

trial safety officers at Malvern

on Saturday that the new regula-

tions were required to provide

the Health and Safety Execu-

tive with better and full infor-

mation so accidents could be

toxic properties of "new'

tive, the commission's opera-tional arm, with a true picture

of the problem, said Mr.

It would enable it to allocate

resources according to priori-ties. He stressed the import-

ance of a two-way information

flow to prevent accidents and

The main impact of the

proposed notification regula-tions would be on employers

in areas not previously covered

by health and safety legis-lation, for example local authorities of their activities.

On proposed regulations on hazardous installations, Mr.

Simpson said he did not think they would make serious prob-

Millom caravan

plan denounced

THE MILLOM action group in Cumbria has written to the Earl

of Incheape, chairman of P & O.

telling him of concern at

development permission for the P & O subsidiary Twentieth

Since permission was given

there have been many protests

by local people, who say it will

A MAJOR breakthrough in the The new yarn, called New-announced last month that yarn per week and will build shire cotton textile industry production of acrylic yarn. Tec, is being sold in producer-because of depressed demand up to 45,000 kilos and then to for more than 80 years, has

will give the UK knitting indus- dyed form at 225p per kilo. and import competition it would 80,000 kilos by the end of this finally given up the struggle try a much cheaper source of compared with 285p per kilo be closing its biggest unit, at year.

Spennymoor, Co. Durham, with

in yarn imports but also in

sweaters-currently about one

"British knitters now have

at low-cost acrylic yarns from

Colin Walshaw, sales and

kilos per week, is currently pro-

marketing director, said.

be closing its biggest unit, at year.

Thos Burnley claims that and the company expects that

availability of the yarn could eventually, most of its yarn result in a big cutback not only output, including wool-acrylic

in three of all those sold in the under commercial conditions

The company, which has a products as well.

total yarn production of 170,000 Tattersall's monthly trade

which ducing 25,000 kilos of New-Tec ups and downs of the Lanca- survey.

imports of imported acrylic by the New-Tec method.

destroy rare wild life.

Acrylic breakthrough boosts UK textiles

the loss of 1,600 jobs.

ems for industry.

effectively and "ensure a peace-ful transfer to majority rule in Rhodesia." Century Banking Corporation for 1,600 caravans and chalets on the site of the ironworks at

number of processes through supply, and need no longer look

material-must pass before it cheap labour countries," Mr.

Millom.

commission

published in about a week.

on work

accidents

By Paul Taylor

prevented.

installations.

Simpson.

health risks.

ful scrutiny.

mid-February.

-though over-optimistic wage and price and public spending All three already have a form of banking status under the Companies Acts, and are subsidiaries of the clearing banks. The finance houses concerned result of huge sales of gilt-edged stock and negligible Government borrowing, the broadly defined

are Mercantile Credit, a subsidiary of Barclays Bank, Lomhard North Central, a subsidiary of National Westminster, and Forward Trust, a subsidiary of

highest level" to ensure that the vate that the prospects of obtain-finance house is categorised as ing bank status are not good.

law within the next few months. Mr. John Thomas, a director of Lombard North Central, says that similar initiatives have been houses in general are not ex- taken by National Westminster. He understood that Mr. Robert Leigh-Pemberton, the chairman and Mr. Jeffrey Ben-

son, the chief executive, had taken the matter up personally with the Governor and chief Officially, Midland Bank has not yet taken a view regarding what status to seek for Forward

Trust, but a spokesman said it was likely it would be asking for the top tier. while the leading finance houses are anxious not to fall into the second tier of financial approaches are being made to the Bank of England "at the highest level" to ensure that the

Dr. Owen to address **NEDC** trade session

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

opments, particularly in trade opments, particularly in Dade negotiations and the challenge of the newly industrialised countries, will be the broad theme of the meeting next Wednesday of the National Economic Development Council.

The meeting will be attended by Dr. David Owen, the Foreign Secretary, who will be giving a paper outlining the importance that is attached to the interests of British industry by the Foreign Office's representation

Attendance by Dr. Owen at Minister's desire to broaden countries

THE RELATION of British the range of interests repre-industry to international devel- sented by the industrial strategy. Another paper, to be given by Mr. John Smith, the Trade Secretary, focuses on current international trade negotiations, of which the most important are the GATT talks, and their

effects on industry.
Mr. Geoffrey Chandler, NEDO director-general, will be submitting a paper which stresses the need for industry to adapt rapidly to the changing situation presented by the success of some of the newly industrialised countries. It questions whether sufficient priority is being given under the industrial strategy to an NEDC meeting follows that this challenge, and urges that of several other ministers in industry should also be aware charge of non-economic depart- of the export opportunities for ments, and is part of the Prime capital equipment in these

Reads to build £10m Runcorn car factory

READS, a subsidiary of Ameridecide whether to use timplate can Can, is to build its £10m or aluminium. factory at Runcovn, Cheshire. The factory is Reads' first in-The scheme will qualify for vestment in the increasingly £2.25m in Government regional popular two-piece can for grants.

announced its intention to pubmanufacturer of metal con- Initial production is likely to be tainers in the UK, will announce about 250m cans of 12-oz size matters, such as notification of the siting of the 116,000 sq ft year. chemicals and of hazardons This would provide the execu-

Work on the factory, provid- Rolls-Royce. full production by mid-1980. Design work is nearing com-

drinks, and is the first stage of The company, second largest a phased development plan,

plant today. It plans to increase A £5m engine component faccan production capacity by 25 tory providing at least 150 jobs per cent. ing 100 jobs, is due to start next Rowntree Mackintesh will a little higher than in the same

month. The plant should be in spend some £8m on new plant period of 1977. In value they rose by about 20 per cent, reflecting at least as much a at a sweet factory at Dijon. work is nearing com-eastern France, for Quality The manufacturing Street chocolates. It will create move up-market as a general and auxiliary equipment is on 300 jobs and is due to start by rise in costs. For 1978 as whole, deliveries were about the order. The company has still to the end of 1980. same as in the preceding year. Although overtime is far in excess of short-time, employment shows no sign of rising, says the federation, partly

New anti-submarine radar handed over for RAF

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MARCONI AVIONICS, a mem-

British Airways is to provide tronics group, said yesterday that contracts for its Rochester Maritime Aircraft Systems Division now total over £100m.

These include the AQS-901 airborne anti-submarine defence system, the first production model of which was handed over to the Defence Ministry yesterday. It will be used in RAF's Nimrod antisubmarine and Australian Orion maritime patrol aircraft.

Developments will be made in light-weight acoustic processing and display systems for helicopters and the company will produce micro-processorbased systems for the Navy's helicopter.

Further increases in produc-

tion are planned for next year

and all-wool varieties, will be

The yarn has been tested

for nine months and is also

claimed to have superior strength and aesthetic charac-

teristics to conventional yarns.

at the lower end of the market

where import competition is

strongest but eventually it will

be used in higher-priced products as well.

review, which has chronicled the

It is being introduced initially

ber of the GEC-Marconi Elec- management assistance to Guyana Airways, the country's fiag airline. The deal was initially funded by the UK Ministry of Overseas Development, but its value is not dis-

British Airways has sent three advisers to Guyana to help reshape the national airline, which operates a limited network with small aircraft.

The Civil Aviation Authority has awarded contracts worth nearly £1.2m for improving Inverness and Sumburgh airports in Scotland, At Inverness, A. Tulloch and Son won a £413,064 contract to

extend the terminal building. while at Sumburgh, a £750,000 based systems for the Navy's contract has been awarded to Sea King helicopters, and G. Percy Treptham for im-design systems for the new proving the control tower, Westland WG-34 long-range which will use new radar equip-

The review was once required

reading for textile companies,

For 75p, these subscribers received each month about 20

pages of information on textile

of important company results

family business which pro-

duces the review, said that its

demise was the result of the

mergers and contraction within

would Tattersall's fortnightly

Mr. Artbur Tattersall, the

dwindled to 150.

and cotton prices.

Small companies warned about prices body

By Collegn Toomey

SMALL BUSINESSES should be concerned at the way the Price Commission is interpreting its role says Mr. Philip Bayliss, chairman of the Association of Independent Businesses national economic committee. Mr. Bayliss, whose association

represents 25,000 small concerns, advises them to watch Commission's activities closely. Echoing the Conservative

Party warning that the commission's method of examination and investigation could easily lead to a "Star Chamber type but its subscription list had of harassment because of the scope of its powers," he recalls that independent businesses thrived in the days when laws were fewer, clearer and wellpublicised. imports and exports, bids and

deals, and other events of the directs its attention to larger The commission month together with a summary companies who are obliged to pre-notify price increases.

"Already, however, affairs of independent comthird generation running the panies are coming under the scrutiny from time to time, and findings relative to a particular company or trade are published in the greatest possible detail. industry. But an annual This is a worrying develop-

review would still appear as ment." The costs involved are considerable at £7m a year,

National pay structure pact for shipbuilding

BY OUR LABOUR STAFF

in Newcastle.

Minimum earnings established for the 80,000 men in the in-dustry range from £62 a week for unskilled workers to £80 a week for skilled men.

Skilled men already earning £80 a week or more will get an additional sum believed to be an extra £5 a week. Mr. Ian Farningham, manag-ing director of industrial rela-

tions for British Shipbuilders, said afterwards that the unions and corporation had agreed on a document called The Most effective Usc of esources, which provides fo rine setting up of joint monitoring committees in each yard to keep an eye on productivity and achieve financial targets. financial targets.

"We have also given all yards the opportunity to agree selffinancing productivity schemes.

by July this year."

Mr. John Chalmers, general secretary of the Boilermakers' Society, and chairman of the Shipbuilding Negotiating Committee of the Confederation of Shipbuilding and Engineering immediate pay-off from the 900 Unions, said: "Looking at the men employed at the Haverton package, we are confident that Hill yard. By Saturday, 700 shop stewards will understand volunteers had come forward this is a fair settlement."

BRITISH SHIPBUILDERS last of minimum earnings, an unnight secured union agreement disclosed number of additional for a national pay structure at the end of a two-day conference maximum overtime has been reduced from 30 hours in a fourweek period to 20 hours.

We think this will save jobs and help towards a shorter working-week."
Clerks are to be paid £62 a. week; technical staff £80; super-

visors £95; and managers a minimum of £5,750 a year. Agreement has also been reached on a common starting date, January 1, for implementa-tion of all pay awards within the industry. This will mean an end to individual negotiations by 168 yards of British Shipbuilders, staggered through the

Pay-offs scuttle rescue bid

THE MOVE by 700 workers to take three months' pay in lieu of notice at a doomed shipyard on the Tees has effectively wiped out moves to reprieve.

Shipbuilders said British yesterday that, following its announcement on Thursday it his is a fair settlement." and 400 had taken their cheques in addition to establishment for sums of around £1,000.

Laker staff sounded on joining TGWU

BY ALAN PIKE, LABOUR CORRESPONDENT

THE ADVISORY, Conciliation before deciding whether to and Arbitration Service is recommend recognition for a advertising to ask cabin staff of Laker Airways whether they wish to be represented by the Transport and General Workers

consumer spending turns down. Increasingly severe domestic and international problems make for uncertainties on this Employees of the airline are sked in an advertisement A further problem, adds the review, is the world-wide scar-city of hides now showing itself sppearing in the current issue of Gatwick News, which cir-culates at the company's base sirport, to complete a questionnaire and return it to ACAS. They are assured that replies will be treated in confidence and not made known to their

> strength of support for a TGWU employees. request to be recognised on behalf of cabin staff because they could not obtain Laker Airways' co-operation in sending out the questionnaires.

Under the Employment Pro- had their own association which

union. It normally relies on the assistance of employers in providing access to staff or names and addresses. Other methods, such as adver-

tisements or public meetings, operation has not been forthcoming. In two instances— Grunwick and Michelin—ACAS has been forced to abandon recognition inquiries because it has been unable to test the opinions of staff. Mr. Mick Martin, a national

mployer.

ACAS officials decided on this obstructed and opposed trade noin recognition. The COMPANY refuses to co-operate with an ACAS ballot and the survey is having to be conducted in other ways.

Laker Airways said cabin staff tection Act; ACAS has to was thriving and recognised by examine the opinions of staff the company.

Public workers' pay ballot results soon

BY ALAN PIKE, LABOUR CORRESPONDENT

ATTENTION will continue to comparability awards for them focus on public sector pay this week with meetings involving miners, power workers, teachers, nurses, and public service employees.

The final voting by local authority, hospital ancillary and ambulance workers on their offer of 9 per cent and a com-parability study yielding more meney in August will be known this week. Transport

Workers' Union delegates in the local government and hospital sectors have accepted the offer and are recommending it to ambulancemen in a ballot. It has also been accepted by local government members of General and Municipal Workers Union.

Results of balloting by members of the National Union of Public Employees and the Confederation of Health Service Employees will be reported tomorrow and Wednesday. Today nurses' union leaders

will meet Mr. David Ennals, Social Services Secretary, to will be paid. Negotiations Wednesday on the teachers'

The teachers oppose sugges-tions that they should submit themselves to a new compara-bility exercise, arguing that this was carried out by

Union of Mineworkers executive will meet to decide whether to

substantial increases from 95.000 manual workers in the Mr. Jack Biggin, national industrial officer of the GMWU.

'Back to work' order hits BL

A DISPUTE in BL Cars at thousands of company employees. But first Coventry shop stewards will seek urgent talks with the local management to resolve the trouble.

It springs from a week-long Coventry may erupt today into strike by 300 machinists at the a national row involving Triumph plant, who on Saturday were ready to accept a formula for return to work, with more talks on a grievance about labour manning levels and jobswitching.

Transport union backs Labour

launched to convince Transport and General Workers' Union members that they should begin work now to secure the return of a Labour government at the general election.

This month's issue of the they can organise through union's journal. Record, urges branches, district committees members to make themselves and shop stewards' committees.

A CAMPAIGN has been available to local Labour parties immediately. Full-time union officials have been told to concentrate on marginal constituencies during the run-up to the election and

to draft in whatever support

demand that the value of the 1974 Houghton award should be restored. This would mean rises of up to 36.5 per cent.

Houghton. On Thursday the National

hold a pithead ballot to ratify last week's £72.5m pay offer from the National Coal Beard which the executive has already endorsed by 15 votes to 10. On the same day, the Electricity Council will reply to a claim

industry.

said the power workers were not seeking a confrontation with the Government but had watched the seek assurances on when any miners negotiations carefully.

Financial Times Monday March 5 1979

Call for

Sullom

to shut

DEMANDS for the Sullom Voe

all terminal to be shut until it

can be proved safe are increas-

ing throughout Shetland as

fears grow, particularly by

environmental groups, that the

islands may become permanently polluted with oil.

One of Shetland's most

beautiful beaches. St. Ninians

Ayre, a favourite attraction for

tourists, is suffering from oil

blight. Lumps of oil washed

Voe

Jact

period to 20 hour

take volunteen

yard. By Salard, learn half the La

00 had taken men h

time of around Elk.

sounde

March 5 1979

Don't try to hang on, ilding Thatcher tells Labour

ed number of adday sound or honourable basis for THE REFERENDUM results overwhelmingly against the have proved that there is no Assembly by a majority of 4-1 is had been sired a great constitutional change, aum overtime has been leader said during the weekend. She told the Conservative

local government conference in London it would be "the final Rs are to be paid tried to bend our constitution to keep itself in power for a few more wretched weeks." insult if a dying Government um of £5,750 1 %

eemen: hat 2 kg Clement Atlee would not id on a common to have done it, neither would lanuary that the Hugh Gaitskell, and we would Anuary for mple not do it.
If all pay awaris. While avoiding the claim

dustry. This will he that the referendum results o individual hears were a victory for the Conservatives, Mrs. Thatcher launched a virulent attack on the way Labour had cynically tried to "whip up emotions which just weren't there" during the referendum campaign. For two years the Govern-ment had laboured day and night to drive the Scotland and three munities party Wales Acis influence that their ment. They insisted that their Acts through Parita-

lay that to argument the legislation would be cabinever have passed if the Caure thing or said that what this net had not been compelled to Thatcher said that what this hold referendums, nor would it amounted to is "not too clear." diste payor from have survived if the 40 per. The truth was that the conemployed a tag and cent rule had not been inserted, cordat did not begin to provide The people of Wales voted the sensible framework of law

while in Scotland if the abstentions were counted as " Mrs. Thatcher, Conservative vote" as Labour had described leader, said during the weekend. them during the campaign, the only conclusion was that the Scottish people had rejected Labour's plans decisively.

Mrs. Thatcher did not mention the Parliamentary tactics she would be adopting in the wake of the referendum results but confirmed that the Shadow Cabinet will meet today to dis-cuss the position.

Turning to the general elec-tion, she culined the Conserva-tive strategy, defended the monetary prescription for the economy and attacked the Labour Government's performance during the last five years. She said Ministers had made no bones about the fact that the party's first election plank would be the concordat on industrial relations, "announced two weeks ago with so much ballyhoo and broken before the ink was dry on the paper."
The concordat had been con-

The at a distance of plans were a response to the cluded with the explicit intenplans were a response to the cluded with the explicit intenclamour for assemblies in tion of "saving Labour's bacon."

The concordat name were a response to the cluded with the explicit intention of "saving Labour's bacon."

Scotland and Wales.

In return for the promise of
with that more socialism, the union However, even with that more socialism, the union argument the legislation would leaders undertook to do "some-

and industrial relations that this than "a lifeline for a sinking Covernment."

The real job of ensuring and insisting on responsible tradeunion behaviour would be left for the next Conservative Government.

Mrs. Thatcher called for a new reality concerning Britain's economic situation. In spite of Labour's attempts to denounce monetarism as "harsh and inhuman," It was the policies of Labour which in reality turned out to be harsh and inhuman. Interest rates were already up

ment's much-vaunted single figure inflation looks as though it could be a nine-month wonder," she said. Higher taxes and higher interest rates would lead to a new recession. British businesses, now producing less than they did in 1973, would produce

and that, if Labour clung to

office, taxes would soon rise and

still less as the recession bites. Labour's economic policy had failed the tests of internal consistency, and comprehensive-ness, and the Government had failed to explain its economic policies to the trade unions and to the public.

Chancellor told: Do not panic

LEADING LEFT-WING members of Labour's national executive spoke out at the week-end against a "tough"

Mr. Frank Allaun, Labour MP for Salford. East, and party chairman. urged Mr. Denis Healey, Chancellor of the Exchequer, to disregard the advice he was receiving from Treasury officials, bankers and the City.

"There is no need to panie. being demanded in the Budget are unnecessary." he told the Greater Loudon Labour Party Conference. Labour policy opposed higher taxes on ordinary families and cuts in public spending. "The only tax we want to be introduced is an annual wealth tax on fortunes

of over £150,000. He maintained that if harsh Budget measures rejected, Labour recover and win the coming general election.

Miss Joan Maynard, Labour MP for Sheffield, Brightside, and another member of the executive, spoke in similar vein when she addressed the Yorkshire Labour Party The Chancellor, she said, should use next mouth's Budget to increase, not cut. public spending and improve the social wage and cut

Shipbuilding nations will talk about changing credit system

govern the industry.

The forum is the shipbuilding working group in the Arganisabuilding.

ships for every new one builtwas put forward by the independent International Maritime Industries Forum in November.

The main debates will take place on Wednesday and Thursday and Spain is expected to announce its refusal to continue following the guidelines on shipbuilding credit agreed by OECD

members in the 1960s. Spanish action.

mercial companies to invest in

used to set standards and to

Sir Derek, speaking in Cam- into

bridge, said the law should be energy.

energy saving equipment.

the National Coal Board, called machinery

THE SHIPBUILDING nations revising the non-binding under- delegates that no decisions can of the developed world will standing between members, be reached until the Governmeet in Paris this week to This stipulates a minimum ment has completed its study discuss possible changes to the interest rate of 8 per cent over credit arrangements which over seven years, on up to 70 per cent of the value of a

Spain is understood to favour tion for Economic Co-operation a 0.5 per cent cut in the and Development. It will also minimum niterest rate, a rise debate plans to ease world over- of 10 per cent to 80 per cent capacity in shipping and ship- of the value of the ship which can be covered by a loan and The plan-scrapping two an extension of 12 years in the

repayment period.

Delegates of the working group on shipbuilding met in existing credit arrangements. in spite of pressure from West Germany and Finland.

Britain has reserved its position on the credit issue and on the scrap and build pro-

alternative forms of energy resources.

posals. Department of Industry

of the corporate plan of the State-owned British Ship-builders, which spells out options for restructuring the UK industry.

Nevertheless, Britain is unlikely to express much concern over Spain's withdrawal from the gentlemen's understanding on credit.

The Government, and other delegates, however, are likely to take the matter more seriously if Spain is backed by France and Belgium, which also want changes in the credit arrange-

 Sealink has awarded the annual refitting contract for its latest passenger car ferry, the Columba, to Clydebank approved, may lead to talks on officials are expected to tell ship repair company.

ashore are believed to be from tankers illegally jettisoning dirty ballast and cleaning tanks Mr. Jo Grimond, Liberal MP for Orkney and Shelland, has asked the Government for a public inquiry. Ezra urges energy-saving legislation At the New Year weekend 1,300 tonnes of beavy bunker oil poured from the tanks of version of coal into liquid fuels the damaged tanker Esso and gases as well as research Bernicia. She was only the 12th SIR DEREK EZRA, chairman of investment in energy saving version of coal into liquid fuels

£813m terminal

for new legislation yesterday to
encourage industrial and commercial companies to invest in

the added that everything into geothermal, solar, wave,
possible should be done to reduce UK oil consumption

Britain was the "rich man duce UK oil consumption Britain was the "rich man "immediately." He called for of Europe" in energy, with oil, with a jetty when berthing. the vigorous pursuit of research natural gas, coal and nuclear The Department of Trade is to hold an inquiry. Shetland Islands Council, which manages vided an "unparalleled oppor-Sir Derek emphasised the tunity" to build and preserve the port, is making its own

to arrive at the port since the

November, and had collided

Women doctors campaign for career prospects

this week to improve prospects for doctors who after having children often find difficulty in It rejoining the medical profession.

> appointing more part-time coasultants, and calls for more parttime postgraduate courses. More than 85 per cent of

WOMEN DOCTORS who give up women doctors, it says, have training to start a family should children. Most of those start be eligible for career jobs when they re-enter the profession, the Medical Women's Federation. The federation quotes the case of a woman doctor in her It is launching a campaign 30s who obtained half her postgraduate specialist training as an anaesthetist before starting

a family. When she wanted to start g the medical profession. work again she was unable to federation suggests complete the training. She now works as a family planning docfor with no career prospects. Yet there is a national shortage of

Shotton steel fears revived

OAMPAIGNERS fighting to takes over from him in June. retain steelmaking at the Shotton plant, Deeside, were. surprised yesterday at the impending departure of Mr. John Powell, the plant's director. A leading advocate of Shorton's case, Mr. Powell has Sir Gha been appointed a director of the corporation's Associated Products Group in South Wales.

Mr. Eric Cotterill, a senior management official at BSC's Llanwern works, near Newport, has revived fears.

steelmaking at the Ending steel production at Steel Corporation's Shotton, leaving only the finishing plant, processing steel from other works, would mean 6,000 redundancies out of a labour force of 11,000 in an area where unemployment is more than 10. ing plant,

per cent.
Sir Charles Villiers, BSC's chairman, has said that there will be no end to steelmaking at Shotton before 1982, but the Corporation's recent rejection of a £26m modernisation plant

The week in Parliament

SELECT COMMITTEES: Overseas Development. Witness: Mrs. Judith Hart, Minister of State for Overseas Development. Room 6, 4.30 pm. Public Accounts Committee: Subject: Appropriation accounts. Witnesses: Department of Industry. Scottish Economic Planning Department, Welsh Office. Room

16, 4.45 pm. TOMORROW COMMONS: Independent Broad-casting Authority Bill, second reading. Opposed private busi-

ness at 7 pm.
LOROS: Capital Gains Tax Bill, third reading. Social Security Bill, report stage. Public Lending Right Bill, third reading. Banking Bill, second reading. Kiribati Independence Bill, committee stage. Estate Agents Bill, committee stage. COMMITTEES:

Science and Technology, Senetic Engineering Sub - Committee. Witness: Mr. David Ennals, Social Services Secretary. Room

15, 4.30 pm. WEDNESDAY COMMONS: Leasehold Reform Bill, second reading. Motions on (Northern Appropriation Ireland) Order and Aircraft and Industries (Northern Ireland) Order. LORDS: Debate on need for revising current energy pro-visions programme and prices and incomes control in the light of recent events in Iran. Short debate on arrest of petitioners in Hong Kong. SELECT COMMITTEES: Expen-

diture, Trade and Industry Sub- Council, Committee, Subject: UK Domestic air fares. Witnesses: UK National Joint Council for Civil Air Transport Trade Union motions.

COMMONS: Housing debate. alised Industries, Sub-Commotion on Hovercraft (Civil mittee E. Subject: Relationship of Ministers Devices Devices and Commons of Ministers Devices D the nationalised industries. Witnesses: Association of Members of State Industry Boards. Room 8, 4 pm. Science and nology, Genetic Engineering Sub-Committee. Witness: Mrs. Shirley Williams, Education Secretary. Room 15, 430 pm. Public Accounts Committee.

Appropriation 4 pm. Science and Tech Appropriation Accounts Witnesses: Department of Industry Room 16, 4 pm. Expenditure, Social Services and Employment Sub-Committee. Subject: Perinstal and Neonatal Mortality. Wit-nesses: Royal College of Gen-eral Practitioners and British Medical Association. Room 6 4.30 pm. Science and Tech-nology, Technological Innova-tion Sub-Committee. Subject: Engine design. Witnesses: Engine design Witnesses: Riccardo Engineering, CAV Lucas. Room 5, 4 pm THURSDAY

COMMONS: Supply day. The question will be put on all outstanding estimates and votes. Debate on a subject to be LORDS: Social Security Bill,

third reading. Carriage by Air and Road Bill, committee stage. Vaccine Damage Payments Bill reading. European second Assembly Elections regulations. House of Commons (Redistribution of Seats) Bill, report stage. Northern Ireland Orders. COMMITTEES SELECT Nationalised Industries, Sub-Committee, D. Subject: sumers and Nationalised Indus-National

Council Room 8, 4 pm. FRIDAY COMMONS: Private Members'

What has personal life Q. insurance got to do with the new shopping centre in Horsham?

A. See page 11.



Inter-City. It's the difference between hearing what he says and seeing what he means.

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Dealings in securities leap by £8.6bn

BOOM TRADING returned to the gilt-edged sector of the Stock Exchange last month and helped lift turnover to its third highest-ever monthly total.

A sudden change in sentiment about the interest rate structure following the 11 point rise to 14 per cent in Minimum Lending Rate on February 8 unleashed a wave of UK and overseas demand for Government stocks as confidence improved in sympathy with sterling's firm show-

Supplies of two tap stocks and an unofficial short tap were soon exhausted. The issue of £1.3bn new tap stocks resulted in the two issues attracting unprecedented over subscriptions. Over £1bn was reported to have been forwarded for stocks which, in £15 paid form, called

for rather less than £200m. Both stocks in first-day dealings traded at premiums of about £3 to £4 on the issue prices, and heavy buying of gilts continued throughout the rest of the month on yield considera-

Turnover in gilt-edged during the month jumped by £6.9bn, or more than 90 per cent, to £14.5bn, the highest since the peak of £17.58bn in September, 1977, and the third highest monthly ever. Trade in shortdated stocks contributed more than half the total at £7.8bn, up £3.4bn on the January level. Business in other fixedinterest stocks jumped by £3.5bn to £6.7bn. The average value per bargain in the shorts rose £47,482 to £220,405 and the total number of gilt-edged bargains jumped by 32,970 to 89.657. The FT turnover index for Government Securities last month leaped to 614.4 in February, against January's 322.0 and the 1978 monthly average of 369.2.

Category

British Govt, and British Govt.

Short dated (having five years

Short dated (having five years

UK Local Authority Overseas Govt., Provincial

Fixed interest stock, pref. and

Ordinary shares

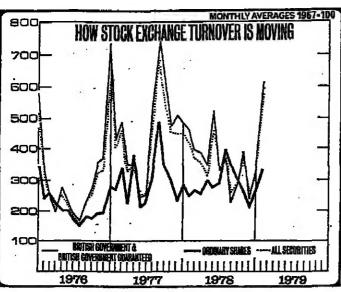
prefrd. ordinary shares ...

and Municipal

or less to ran

Guaranteed:

Irish Govt.;



advance in gilt-edged values left the FT Government Securities index with a net rise on the month of 4.33 points at 70.60; earlier in the month, it was standing at a two-year low of

The strength of gilts led to much improved activity in equities, in which good institutional demand helped busiabout £0.4bm to £1.8bm the highest since last August's The record was set in September, 1977, at £2.75bn.

Dealings in equities rose by 68,678 to 344,466, and the average value per bargain, at £5,356, was slightly higher than in January. The FT turnover index for ordinary shares improved to 329.2 on the month from January's 261.5, against last year's monthly average of

Equity prices reco

4.1 2.2

0.3

100.0

Average of all securities

a dull start. Shortage of stock often showed in price gains exceeding double figures. From month's low of 446.1 recorded on February 12, the FT 30-share index rebounded sharply to end the month 14.1 points higher on balance at

swelled by a remarkable £8.6bn on the month to £18.8bn, the highest since the September 1977 peak of £22.4bn. The turn-over index for all securities jumped to 575.2 in February from 312.4 the previous month. The 1978 monthly average was

Gold shares took January's firmness a stage further in sympathy with a fresh upsurge in the gold bullion price. The FT Gold Mines index closed 11.5 points up at 176.8. After a record close of \$253.625 per ounce on February 22, the gold

overed	from c	oullion price on the mor	th at \$25	1.625.	١,
umber of rgains	% of total	Average value per day £m	Average value per bargain £	Average no. of bargains per day	a B L a CEX
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2,442 4,070 6,729	0.5 0.8 1.4	50.2 38.2 20.1	410,964 187,874 59,880	122 204 336	NON A MUD DOWNING
1,799	0.4	2.4	26,668	90	00-0
6,662 4,466 5,825	5.6 72.4 100.0	9.6 92.2 938.6*	7,200 5,356 39,452	1,333 17,223	Onition

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financia engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

Discount, 1, St. Swittin's 12 lov. Tst., 8, Crosby Square. Alexanders Lane, EC, Claverhouse EC, 215 BOARD MEETINGSand Noakes prwich BupcBds. Red. (7/3/79) \$4.1961 ov. Cities TSL 0.649 Mangables broken
Mangables broken
Mangables broken
Maligoud
Victor Proofs. (Wallsoud)
DIVIDSEND & INVEREST FAYMENTS—
Birmingham Pallet 4 25g
Cook (Wm.) (Shesileid) 0.7p
Hardys and Hansons 5.5p
Hardys and Hansons Finance Tst., 1.5p
Midland Tst. 2.01g
Raybeck 1.131p
Raybock 1.131p
Resmord Inc. 2.4 cts.
Scottish English and European Textile
0.737e 8'epcBds_ Red (7/3/79) 12 tacBds. Regd (7/3/79)

shire Passenger Transport Execu-pcBds, Red. (72979) £4.1961 COMPANY MEETINGS unt 4,422p willfield House, re-12 Fison Way, Thetford, Nor-Wallington BOARD MEETINGS18 BOARD MEETING r House, Park Lage

Rubber Est,
8 INTEREST PAYMENTS—
bium 50 cts.
0 iscount Ord. 11.501p
bory Db. 44pc Forge and Pin. Con.
Ming. and Pin. Con.
Durrant and Ming.
and Stellon
Service ers Discount Ord. 11.501p d Wiborg Db. 44pc Ircle Db. 44pc 104pc Bds. Red. 12/9/79) 51ppc Iorican Tobacco Ln. 34pc Chase 104pc Bds. Red. (1299/79)

touse inv. Tst. 2.59 as 150 and W.) Db. 4 apr 1 organic Chems. In. 3 arc 1 intil Can. Chem. In. 3 arc 2 apan inv. Tst. 29 investors 0 Bp 10 investors 0 Bp 10 Tst. 0.559 pt 10 T 3-lepc copoldi 10 lepcis

ster 104pc8ds. Red. (12/9/79) tr Tat. Lm. Zpc 11 Lockets. Red. (1/16/80) Since 11 Lockets. Red. (1/16/80) Since 10 Lockets. Red. ind Kegan Db. 33bc incBds. Red. (12/9/79) Signo

Dorset 10 legalids, Red.

Silver Ing 10 packets. Ped. (12/9/79) Silver Chems. De. So:
WIEDNESSDAY, MARCH 7
COMPANY METINGS—
Blundell-Permoglaze. Consession: Rooms.
Great Queen Street, WC. 12
Sond St. Fabrics, Wimbledon Works,
Wimbledon Street, Leicaster, 11
cokers Ltd., 775, Chester Road, Streetord.
Manchester, 12
lartey Ltd., Riverhead, Savenant CARD MEETINGS-

H.)
A INTEREST PAYMENTS—
Apr.
Intel. 3kpc
5kpcBds. Red. 973/799 Var. Rate Red (1963) Supctide Red. (7/3078) 54.1951 Supctide Red. (7/3078) 54.1951 and Galloway 7.21pc8ds, Red. Red. (7/5/79) 54.1961

BUSINESSMAN'S DIARY

Current

Mar. 6-31

Mar. 11-15

Mar. 13-15

Mar. 18—21 Mar. 19—23

-16

Mar. 12

Current

ds. Red (3/3/82) \$3₈₀₀ ds. Red. (5/3/80) 45₈₀₀

Helena Helena Holes (G H.)

ntmi Business Machines Cpn. 344 (Craft Inc. 70 cts lewcapite upon Tyng SlepcCome. 17978-80) 44scc qwbb Cpn. 27 cts.

UK TRADE FAIRS AND EXHIBITIONS

Castings "79 Exhibition (0737 68611) (until Mar. 9)
Powtech "79—International Powder Technology vtech '79—International Powder Technology and Bulk Solids Exhibition (01-686 5741) Mar. 6--9 Chelsea Antiques Fair (56 56069)
Daily Mail Ideal Home Exhibition (01-353 4000)
Boys and Girls Exhibition (0532 620361) Mar. 10-18 Autoquip 79 (01-235 7000) Labex Intal: (Lab., Diagnostic and Medical Inst. Exhibition) (021-705 6707) Computermarket '79 (01-935 4996) *****

Toy Fair (04252 72711) Scottish Business Show (031-229 6412) International Public Address Equipment Exhibition —Sound (75-39455)
EIA Engineering Exhibition (01-222-2367)

Mar. 21-22 TRADE FAIRS AND

International Motor Show (until Mar. 11) International Boat Show-HISWA (until Mar. 11) International Tourism - Exchange Exhibition (01-540 1101) (until Mar. 11) International Household Appliances (01-439 3964) (until Mar. 12) European Trade Fair for the Meat Industry and
Manual Trade EUROBEEF (until Mar. 11)
Prinvera 79—International Gift and Novelty
Eschibition Exhibition International Light Industries and Handicrafts Fair (01488 1951)

Exbu. Centre, Birmingham Exbn. Centre, Birmingham Chelsea Old Town Hall

Earls Court Alexandra Palace Wembley Conference Centre Exon. Centre, Birmingham Albany Hotel, Glasgow

Brighton Centre Kelvin Hall, Glasgow Cunard International Hotel Sandown Park, Esher

EXHIBITIONS

Berlin

BUSINESS AND MANAGEMENT CONFERENCES

Mobile Training: Company Taxation for Managers (01-242 3067) (until Mar. 16)
ORC (Europe): Employee Relations in Europe (01-491 2673) (until Mar. 9) Charing Cross Hotel, WC1 University of Bradford: Managing Technological Innovation (Bradford 42299) Oyez-IBC Advertising and Marketing to Women (01-242 2481) AMR International: Zero Base Budgeting (01-837 6470)
Grown Eagle Communications: Concentrated Course in U.S. Government Contracts (01-636 0617)
BACIE: Training for the Office (01-636 5351)
Executant Management Consultants: A National Strategy for Quality (0494 33171)
Abacus: LCGI Successful Exporting—Can we learn from France and Germany (0605 881300)
Brunel Institute: Manpower Development for Capital Projects in the Third World (0895 56461)
ASM: Cost Analysis and Figureial Tachniques for ASM: Cost Analysis and Financial Techniques for the Buyer (01-385 1992) Con-Cast '79 Conference (0990 23711) McGraw Hill: How you can develop executive talent for tomorrow-today (Maidenbead 23432) ESC: Political Risks and the Business Community (057282 2711) Oyez-IBC: Transport of Hazardous Cargoes by Air (01-242 2481). AMR International: Management Skills for Women (01-262 2732)

Institute of Directors: Finance for Non-Financial Executives (01-839 1233) MSS Computer and Business: Production Planning and Control (0903 34755)
Brunel Institute: Social science inputs to organise tion development (0895 56461)

AGB: The Search for Opportunities with Dr.

Edward de Bono (01-353 3651) PE Consulting Group: Solving Problems by Simulation (Egham 4411)

GIM: Finance for the Non-Financial Manager (0788 812125) IPS: Food and Drink (0990 23711) Imperial College: Forecasting: Art or Science?
(01-589 5111)
Oyez-IBC: Practical Steps for Exporters and their
Suppliers—Minimising Risks under American
Strict Liability Laws (01-242 2481)
CCC: Cost Effective Purchase and Operation of

Car and Light Van Fleets (01-222 6362) The Centre for Interfirm Comparison: Management Ratios and Interfirm Comparison (0206 62274) The Henley Centre for Forecasting: Costs and Prices Forecasts to 1984 (01-251 3841)
Auto Accessers Retailer/SMMT: Automotive Parts and Accessories Aftermarket: 1979 (Beaconsfield 71248)

DIAMONDS FOR INVESTMENT

Luxembourg Heaton Mount, Bradford Royal Lancaster Hotel, W2 Hotel Russell, WCI Carlton Tower Hotel, SW1 Sackville Hotel, Hove Skyways Hotel, Heathrow Lombard Street, EC3

Brunel University, Uxbridge Piccadilly Hotel, W1 Metropole-Hotel, Birmingham Royal Garden Hotel, W8 Royal Lancaster Hotel, W2 Sheraton Skyline Hotel, Heathrow

Churchill Hotel, W1 London, SW1 Northumberland Ave., W1 Café Royal, W1

Lower Belgrave St., SW1 Cawston Royal Garden Hotel, WS London, SW7

Hilton Hotel, W1 Europa Hotel, W1 Parker Street, WC1 Carlton Tower Hotel, SW1

Wembley Conference Centre

CONTRACTS AND TENDERS

REPUBLIC OF KENYA NATIONAL IRRIGATION BOARD

Value of all

purchases

1.845.0

18,772,2

INVITATION FOR TENDERS

BURA IRRIGATION SETTLEMENT PROJECT

NOMINATED SUB-CONTRACT NO. 5/1 - PUMPING PLANT NOMINATED SUB-CONTRACT NO. 5/2 - WATER CONTROL

The Board invites tenders for the above Sub-contracts. Contract No. 5/1 includes the supply c.i.f. Mombass. and super-vision of crection, of pumping plant chiefly consisting of:— 4 No. inclined spindle diesel driven axial flow pump sets of nominal capacity 2 150 litres per second, external head about

2 No. ditto but 1 075 litres per second and ancillary equipment. Tender surety of KShs. 26 000 will be required.

Contract No. 5/2 includes the supply c.i.f. Mombasa, and supervision of erection, of water control equipment chiefly consisting of:

45 No. Romyn gates spans 0.6 and 1.20 metres. 13 No. Vertical lift sliding gates 2.5 x 1.55 metres open type. 28 No. Sliding gates (culvert type) 0.75 and 0.90 metres

Stop logs and handling gear.

Tender surety of KShs. 52 000 will be required.

The successful tenderur, will be required to enter into a sub-contract with the Contractor for the mein Contract No. 5—Hydraulic Structures, Pump Station and Irrigation and Dramayo System which will be partially financed by the European Development Fund under Project No. 4200.032,318. The calls for tenders for the main Contract and those Sub-contracts are being advertised in the Supplement to the Official Journal of the European Communities and elsewhere.

Tendeters must be natural or legal persons of, and equipment must be supplied from a Member State of the European Community or of an Aircan, Curibbean and Pacific State signatury to the Lomé Convention.

Alternative designs may be offered in addition to the designs called for. Tender documents may be putchered (non-relundabele) by application to the Board's Consulting Engineers, Sir M. MacDonald and Partners Ltd.,

(a) c to National Irrination Board, P.O. Box 30372, Lenana Road, Nairobi, with KSh- 450 made payable to the National Irrigation Board, Telex No. 22568 (UNYUNYUNZI) MAIROBI KENYA or (b) at Demoter Huste, Station Road, Cambridge, CS1 285, United Kingdom, Telex No. 817760, with UK 530 made payable to Sir M. MacDonald and Partners Ltd.

Tender documents may be purchased (non-refundable) by application to addresses, or at the addresses shown below:—

Commission of the European Communities, Directorate-General for Development, Rue de la Lni 200, 8-1043 Brussets.

Infe	ormation office:	of the European Commun	nitios:—
	DK-220	Capenhagen N	Industrirandet. 20 Alderstrogade
	D-53	Bonn	Zitelmannstrasse 22
	NL	The Hague	Lang Voorhout 29
	IRL	Dublin	29 Merrion Square
	UK	London	20 Kensington Palace Gardens, W8 4QQ
	F-75782	Paris	Cedex 16, 51 rue des Belles Feuilles
	1-00187	Renic	Via Poli 29
		Luxeinbourg	Chamber of Commerce, 7 rue Alcide de Gasperi

Tander documents will be available for issue by air-mail or for collection from 2nd March 1979, and should be returned, as directed in the documents, by 11th May 1979.

Tanderers who are found to be canvassing will be disquelified.

H. M. LEMPAKA,

General Manager.

CONTRACTS AND TENDERS

ADVERTISEMENTS APPEAR EVERY MONDAY Rate: £15 per single column centimetre Minimum three centimetres

For further information regarding advertising please telephone: FRANCIS PHILLIPS 01-248 4782

THE DEMOCRATIC REPUBLIC OF THE SUDAN

Sea Ports Corporation, Port Sudan, Sudan NOTICE

1. The Executive Manager, Sea Ports Corporation, invites Tenders for the supply of the following items:---

Contract No.	Description	Cicaing Data
47/79	Supply of Rubber Tyres Roller 8-20-ton	Sunday 1/4/1979
48/79	Supply of one Air Compressor, Trailer mounted 10m3/m capacity	Saturday 14/4/1979
49/79	Supply of Crawler Tractor 180 h.p. with Angledozer	Saturday 21/4/1979
50/79	Supply of One Wheel Tyre Front End Loader, 14 cu. yard capacity	Saturday 28/4/1979
51/79	Supply of two Dump Trucks, 6 cu. yard	Saturday. 5/5/1979
62/79	Supply of one Concrete Mixer 14 FT3 capacity	Saturday 12/5/1979
53/79	Supply of one Asphalt Distributor	Saturday 19/5/1979
54/79	Supply of six Truck Pick-up	Seturday 28/5/1979
57/79	Hand Toole and Equipment	Saturday 16/6/1979
58/79	1,000 tonnes Asphalt Cement	Saturday 23/6/1979

3. Details and Specification may be obtained from the Controller of Stores, See Ports Corporation, Port Sudan, or from the Office of the See Ports Corporation, Khartoum, P.O. Box 2534, on submitting a written application bearing a Stamp Duty of Somm and accompanied by a payment of (Ls. Two pounds for each), of such Details and Specification.

The closing date for the receipt and acceptance of Tenders by the Stores Controller, See Ports Corporation, Port Sudan, will be (as shown above) at 12 o'clock noon,

Details specification can also be obtained from Sudan Government, Purchasing Agent, 3-5 Cleveland Row, St. James's, SWIA 1DD, on payment of £3.00 (Starling) by Cheque or Postal Order in favour of "The Sudan Government Purchasing Agent."

SUDAN RAILWAYS

STORES DEPARTMENT

CONTRACT No. 5167

SUPPLY OF 1,000 BEARING HOUSINGS

1. Controller of Stores, Sudan Railways, Atbara invites

Details, specification and drawing can be obtained from

the Office of Controller of Stores, P.O. Box 65, Atbara,

Sudan or from the office of Stores Representative at

Khartoum, Tel. 74793, on submitting a written application

bearing 50 mms. Stamp duty and payment of Ls. 3,000 mms. for one copy of details, specification and drawing. The closing date fixed for acceptance of tenders in office

Controller of Stores, Sudan Railways, Atbara, Sudan is

Details, specification and drawing can also be obtained

from Sudan Government, Purchasing Agent, 3-5 Cleveland.

Row, St. James's, SWIA 1DD on payment of £4.50 (steri-

ing) by Cheque or Postal Order in favour of "The Sudan

OFFICE OF CONTROLLER OF STORES

tenders for supply of 1,000 Bearing Housings.

Saturday 21st April, 1979 at 12.00 hours noon.

Government, Purchasing Agent."

THE DEMOCRATIC REPUBLIC OF THE SUDAN

SEA PORTS CORPORATION PORT SUDAN, SUDAN

NOTICE

CONTRACT NO. 56/79

The Executive Manager, Sea Ports Corporation, invites Tenders for the supply of Hand Tools and Equipment for

Details and Specification may be obtained from the Stores Controller, Sea Ports Corporation, Port Sudan, Sudan, or from the Offices of the Sea Ports Corporation, Khartoum, P.O. Box 2534, on submitting a written application bearing a stamp Duty of 50 m/m and accompanied by a payment of Sudanese two pound for one copy of such Details and Specification.

The closing date for the receipt and acceptance of Tenders by the Chairman, Sea Ports Corporation, Khartoum, P.O. Box 2534, on Sunday 1st April 1979, at 12.00 o'clock noon. Payment will be in Foreign Currency from LD.A. Credit

Specification can also be obtainable from Sudan Government, Purchasing Agent, 3-5 Cleveland Row, St. James's, SW1A 1DD. On payment of £3.00 (Sterling) per set by

SEA PORTS CORPORATION

TENDER SEWAGE TREATMENT WORKS Contractor in Abu Dhabi seeks supply and installation of

Contractor in Abu Dhabi seeks supply and installation of

(a) Benches and fittings for large laboratory building

(b) Supply and installation of utility services for laboratory, including hot and cold water supply, drainage, compressed air, butane gas, etc.

(c) Supply of chemicals

(d) Supply of laboratory apparatus

(e) Supply of analytical instruments

The works are for new laboratory in Abu Dhabi and will include installation, testing and commissioning of all equipment.

Contractor willing to sub-contract/enter into joint venture with successful applicant.

applicant: should relatively short and applicants should telex 2628 BANWIP Tender period relatively short and applicants should telex 2628 BANWIP ABU DHABI immediately for pre-qualification.

Literature and technical information should be mailed to P.O. Sox 289, Abu Dhabi, United Arab Emirates, together with photographs and details of previous, similar jobs compiled.

ART GALLERIES

1	
l	FIELDBORNE GALLERIES, 63, Queens WOLFE, R.A. — SIXTY YEARS OF PAINTING. MonFri. 10-6, Sat. 12.30 to 5.
I	FINE ART SOCIETY, 148, New Bond St., W.1. 01-729 5116. BRITISH ARTS 18th-20th Century,
	FISCHER FINE ART, \$0. King St. St. James's, S.W.1. 01-839 3842. Recent work by two Canadian Realists: D. P. BROWN and JEREMY SMITH. Until 9 March. MonFri. 10-5.30. Sats. 10-12.30.
	IEAN ARP and HENRI MATISSE—1st March to 12 April Dally 10-5.30. Sat. 10-1. Theo Waddington, 25, Cork Street, London, W.1. Tel.: 734 3534.
	MARLBOROUGH, 6. Albemarie St., W.1. RENATO GUTTUSO Paintings. Drawings and Watercolours. MonFri. 10-5.30. Sat. 10-12.30.
	BLOND FINE ART, 33, Sackville St., W.1. 01-437 1230, ELLIOTT SEABROOKE 1886-1950. Oil paintings and works on paper, also late Japanese prints. Until 10 March.
ŀ	MALL GALLERIES, The Mall, S.W.1. Greek Women Artists Exhibition, Mon Fri. 10-5, Sets. 10-1. Until March 10, Adm. Free.
	REPFERN GALLERY. ROBERT YOUNG. New Pointings and rawings, March 5th- March 25th. 20, Cork Street, London, W.1. MonFri. 70-5,30, Sab. 10-12,30.

CLASSIFIED ADVERTISEMENT

Financial Times

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GARGOYLE: 89, Dean Street, London, W.1.

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"AS YOU LIKE IT"

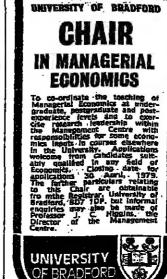
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Carbe ar All-In Mem. Three Spectacistar

Floor Shows, 10.45, 72.45 and 1.45 and
music of Johnty Hewitzsworth & Friends.

TRAVEL

UNIVERSITY APPOINTMENTS



COMPANY NOTICES

Q.F. CORPORATION

OTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (" EDRI") DEPOSITARY RECEIPTS ("EDG")

MOTICE IS HIRERY GIVEN to holders
of EDRs that Q.P. Comporation paid a
Zettlement of V.12.50 gress per Store de
Zettlement of V.12.50 gress per Store de
Zettlement of V.12.50 gress per Store de
Zettlement of V.12.50 gress per Store
the Company's register at the close of
business on 30th Norvember, 1978, This
dividend has been converted to U.S. Dollar
and grounds to U.S.561.20 gress per EDR
representing 1.000 shares and U.S.56.12
gross per EDR representing 1.00 Shares
Accordingly Millerance, Registration United gross per EDR representing 100 Shares.
Accordingly. Kleinwort, Benson Limited as Depositary informs holders of EDR presenting Coupon No. 3 on or after the benson 1977 (Indiana). The coupon No. 3 on or after the Narch. 1977 (Indiana). Benson Limited. 20, Enchurch Street, London ECSP 3DB. 20, Enchur

Explied.

The difference between the amount of withholding text so deducted and the withholding text so deducted and the limited Kingdom will also be deducted from all dividends paid in the United Kingdom unless holders of EURs furnish the Depositary with the usual affeavits of non-residence in the United Kingdom.

KLEINWORT, BENSON LIMITED. 5th March, 1979. TENDERS FOR GREATER LONDON

1. The Greater London Council hereby species of the Chief Accountant's Office (Bank Buildings), Sank of England, London, ERR 8EU, on Monday, 12th March, steel and the Chief Accountant's Chief by Chief Chi 2. The Bilis will be amounts of £5,000, £10,000, £25,000, £30,000, £100,000 or £250,000. They will be deted Thursday. 15th March, 1979, and will be dee 91 days after date, without days of graze. 3. Each Tender must be for an amount of less than \$25,000, and the set success per cent (he set success) and united of one new halfpeany) which will be give for the amount applied for. 5. The Bills will be issued and paid a the Bank of England. the Bank of England.

5. Nothication will be sent by post, of the tame day as Tenders are received, to the persons whose Tenders are accepted in whole or in part and paymont in full of the amounts due in respect of such accepted Tenders must be made to the accepted Tenders must be made to the Sank of England, by Means of cast or by draft or cheene draws on the Sank of England not later than 1,30 s.m. on Thursday, 15th March, 1979.

7. Tenders must be made on the printed

7. Tenders must be made on the printed forms which may be obtained either from the Bank of England, or from the Council's Offices at The County Hall. The Greater London Council reserve the right of rejecting any Tenders. M. F. STONEFROST.
Comptroller of Financial Services
The County Hall.
London SE1 7PB.

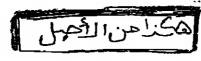
ONDON METAL EXCHANGE WARRANT Please be advised that Warrapt No. 193632 — 1284 Zinc Ingots — Bradd: -M. Wright 26 F4 M Tens stored in Rotterdam, has been replaced and the above Warrant should be considered null and void.

C. STEINWEG N.V.

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY

PUBLIC NOTICE

The Amburance Society of the Society will be seen to so the Society will be society so the society society society so the society society so the societ



BITIONS



This businessman went to Paris.

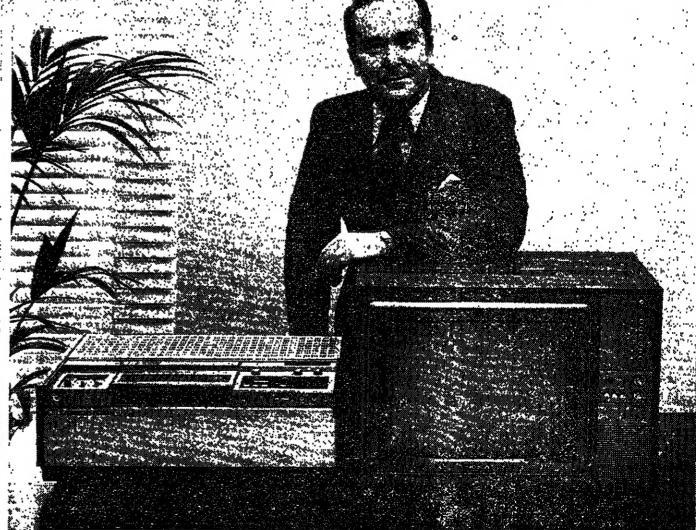


This businessman went to Rome.





This businessman This businessman went to New York. Stayed at home.



Having to be several places at once would pose problems for most of us. Yet for many businessmen, it's all in a day's work.

The secret of their surprising efficiency is the Sony U-Matic video system.

With a U-Matic recorder/player, product demonstrations, lectures and company reports can all be recorded on video-tape cassette.

Then, with the aid of a playback machine, they can be shown on a Sony Trinitron monitor

Sony video equipment is compatible with the three major international video standards. So a businessman on U-Matic cassette can be sent almost anywhere in the world.

By duplicating this cassette he could give a presentation in Brussels, while he's appearing at a meeting in Hong Kong.

Meanwhile, back at the office, our industrious hero can be getting on with a hard days work.

Although mass-producing people by machine sounds like something out of Star Trek, it's actually an idea Sony have been putting into practice for years.

In fact, they've been making business video longer than anyone else. Which means they've been improving video longer than anyone else.

For this reason, seven of the ten most successful companies in the country use the Sony U-Matic system.

That's not to say only big companies benefit from Sony video.

Firms with just a few employees also find it a profitable investment.

Because no matterhow many people work for you, after you've bought the U-Matic it'll suddenly seem as if there's a lot more.

	To: Bill Rowland, Sony (UK) Ltd, Commercial & Industrial Division, Pyrene House, Sunbury Cross, Sunbury-on-Thames 89581. Please tell me more about the Sony U-Matic videocassette system.
ļ	Name
i	Company

SONY

Address

Atlas Copco

compressed air

systems.

A force put to workfor you.

rotor casing of the pump is extended by the addition of a

A-priming pot, coupled to the

pump section and discharge, is arranged to retain a sufficient

level of liquid to ensure that

the bottom impeller is always covered by liquid, and the pump

will reprime itself automatic

ally.

Absence of glands, seals, bearing and neck bushes inside

the pump enables it to run com-pletely dry for indefinite periods without harm. Conse-

quently, the pump can be used

for intermittent duties, such as

the transfer of effluent from collection vessel to treatment

• SERVICES

A presence in Europe

GSI, which stands for the management support, omewhat difficult name Meanwhile GSI now has 2,600 around £82m this year, which a number of organisations in will be a 30 per cent increase the U.S. on 1978-remarkable even for the computing industry. Its number of interesting develop- complexity. present emergence as a powerful backer for the erstwhile the past few years. Even large and 13,000 dealers in cars; 16 CRC, with something like £2m companies, having their own makers and 1,000 dealers in invested in new equipment, important central computers, software and marketing staff for this year and last, means sharp payrolls with as many as 10,000 dealers in agricultural payrolls with as many as 10,000 dealers in agricultural equipment and at least 50 companies to the swarf and the staff of the swarf for companition on the way for companies to the swarf and the staff of the swarf and the sw

CRC, which will in future be that computers are "only a weigh those using automation known as GSI (UK), is running means to an end" and will buy and there is a vast-market the Scan service to the stock any equipment and software which can start with users broking fraternity and that Scan that has proved itself to be whose requirements do not go was one of the first effective effective. In other words, the over £100 a month of inventory Scan is inevitably continued

which it acquired some months ago and will be renaming on April 1.

GSI, which stands of the company would provide a degree of facilities.

somewhat difficult name Meanwhile GSI now has 2,600 Générale de Service Informa- staff and is providing services to lique, expects to turn over 7,000 European companies, plus

> ments in user requirements in payrolls with as many as 10,000 equipment and at least 50 com-names to the experts and the panies and possibly 5,000 out-

Since GSI is number one in Europe, it is hardly surprising Europe, it is hardly surprising Clerkenwell Road, that the target set for its UK ECIR 5H, 01-242 0747.

Britain and while that may seem far-fetched after the problems the group has encoun-tered in recent years, the establishment of a European market for original CRC pro-ducts is of very great import-

ment since the cost can be split up between many more users. A move has been made, mean-

while, to launch two new and important services in Britain. BIGGEST OF the European operate the Talisman service to important services in Britain. Computer service groups, GSI brokers and it has not gone has disclosed its plans for a strong push into the UK market through CRC Information Systems and it has not gone unnoticed that GSI is in negotiations with the French stock a computer programme to help exchange—ostensibly operating the second control of the strong of the strong

> called IDS (for International Dealer Systems). Intended to help dealers in the automotive a number of organisations in trades to keep track of their the U.S.
>
> Its management has noted a service offers four levels of

> > It will appeal to 60 makers

this year and last, means sharp competition on the way for companies in the UK market, particularly those offering a time-sharing service.

It must be remembered that

GSI has the healthy attitude

The panies and possibly 2,000 outlets in allied industries. Some pany routines.

Some panies and possibly 2,000 outlets in allied industries. Some pany routines.

GSI has the healthy attitude unconverted very heavily outlets are "only a weigh those using automation." Further from GSI UK, 83

Italian connection will ance. At the same time, a large group can spend far more money on an important development since the cost can be split.

ONE OF the fastest road and tinuously day and night and Messina system is used docu-sea transport services to main has its own customs facilities, ments are processed while the venture with Ignazio Messina machinery awaiting shipment.

Operation of the service centres on Messina's 45,000 square metre roll-on/roll-off terminal at La Spezia in northern Italy where some of the most up-to-date handling equipment is now being employed. Docking facilities enable three ships to be loaded simultaneously with containers, cars, agricultural and heavy construction machinery. Goods of all kinds can be handled.

Non-stop operations

A door-to-door security-sealed service is offered and is based on a 34-day run by road vehicles from the U.K. to the Messina terminal at La Spezia.

By this means, it is claimed and as an example, goods will reach Jeddah, the Arabian port on the Red Sea in a minimum of 10 days and rarely as much as 16 days. Jeddah is a transit port for Riyadh and other major development areas in Saudi opposite side of the Red Sea.

ports in North Africa and the Large covered areas are avail-Middle East has been set up by able for the temporary storage-Cave Wood (Transport) in joint of vehicles, goods and

> Plans for setting up the service were made in 1977 and the past 18 months have been devoted to development and the ironing out of difficulties. Nevertheless, in 1978, 263-voyages from La Spezia to North Africa and the Middle East were achieved and these involved the transhipment of about 21,000 cars, 15,000 full and 15,000 empty containers, 9,000 industrial vehicles and items of machinery, 2,500 loaded semi-trailers and 2,300 empty semi-trailers.

Cave Wood bases its optimism for the success of this venture on the argument that few shipping lines run directly from the UK to the ultimate destination—they usually call at several ports en route with con-sequent increasing likelihood ports

Documents

Again, says the company, overland routes bring problems. Arabia. An optional port of especially at frontiers, when the call is Port Sudan on the release of essential documents may be held up and the vehicle

ments are processed while the recently linked with a French goods are travelling across the Continent to La Spezia. The a new base with offices and documents are then sent to meet warehouse facilities at Pantin the load at the Italian terminal on the N3 north of Paris and Now operating from La within one of the main customs Spezia are 13 roll on/zoll off clearance terminals. ships are all owned by Messina and two more are being modi-fied and enlarged in Messina's shipyard at Calata Boccardo.

These two ships will be added to the fleet this month. To these vessels must be added four

Daily departures

The fleet has been erganised if pump so that three vessels can leave La Spezia every day, seven days a week (there are no tide problems) for Libya (Tripoli and Benghazi). Jeddah, Malta, Alexandria, Beirut, Lagos in West Africa and many other equipment for handling liquids in the food and chemical pro-

This service, claims Cave Wood, means that goods are carried through to destination by one operator and that loads can be despatched within 24 hours from the U.K. or other Cave Wood European depots The company offers the use of standard 20ft containers, semi-The terminal operates con- delayed When the Cave Wood/ trailers and low-loading and

machinery trailers up to 50 tonnes capacity.

Details about the new service can be obtained from Cave Wood (Transport), PO Box 92

Wood (Hansport)
Coronation Road, High
Wycombe, Bucks. HP12 3TW
(0494 446541) or from Ignazio
Messina and C Spa, Via di
Settoripa 1A/116, 161Z4 Genoa, Italy.

Cave Wood, which is a wholly

owned subsidiary of Tozer Kemsley and Millbourn, only company, Mitjavile, to establish diffuser casing in which an additional impeller rotates within a diffuser ring.

vessels plus 5 vessels converted Both French and British for this type of operation. These registered road trailers will be available as well as a fleet of 2 to 10-ton vans for delivering U.K. goods to Paris and its

PROCESSING

No harm

equipment for handling liquids in the food and chemical processing industries is a self-priming vertical glandless pump, announces APV Kestner, Greenhithe, Kent DA9 9NG.

Paced on the 40 mm dis-Based on the 40 mm dis-

All components are made from Keeplus, a tough com-pression-moulded thermosetting plastic which is said to have excellent resistance to a wide range of acids, alkalis, and abrasive liquids used in the process industries at temperatures up to 100 degrees C.

charge unit which has a mid curve performance of 25 cubic metres per hour against a total

HANDLING

Gives greater reach

COMPLEMENTING its Kompakt range of bydraulic work plat-forms is the newly introduced stability with ease of operation Zipper FM30 from Access Equipment, Maylands Avenue, Hemel Hempstead, Herts. HP2 7DW (Hemel Hempstead 2311).

battery operated, with a built-in ring is a totally enclosed, sealed charger unit. It has a working unit and requires no adjust-height of up to 30 feet.

upper arm, the Zipper has a continuous slewing feature which rotates it through 360°. Main difference of this model Positioning of the machine is its articulated arm which is no problem, says the comprovides extended height and pany, and many areas can be reached from one central Machine is trailer mounted, position. Ball bearing slewing

Cruciform outrigger base is

Submersible pumps

HYDRAULICALLY POWERED mobile site units or built on t submersible pumps are to be road trailers. produced for use on sites where lectricity supplies are not avail- be available in a range of sizes able or where it is desirable to and can be fitted with different have a completely self-contained types of impeller to produce a and independent portable unit.

The diesel engine-driven hydraulic power packs will be available as frame mounted basic chassis units, wheeled

The free standing pumps will types of impeller to produce a wide range of performance

capabilities. The pumping set is marketed by Flygt Pumps, Colwick, Not-tingham, NG4 2AN.

MATERIALS

Cleans the machine

USERS OF injection moulding, through the machine. Small are being offered a material for removing thermoplastics or rubber from screws,

ing raw material and processed

extrusion or blow moulding quantities are said to be suffithe material can be used plastics packing coming into contact with food. There is no

plastics or rusper from screws, dies, barrels, nozzles, and other machine components that need to remove an extruder die before purging.

The material is supplied by Industrial Science, Leader stated to be a non-toxic powder House, 117-120, Snargate Street, which is mixed with the incomponents.

TEXTILES

Fabrics can be made quickly

STITCH-BONDING is the most quality of the material being recent form of manufacturing processed textiles. It differs from both weaving and knitting in that a network of fibres or yarns is stitched together by what is, effectively, a multi-head sewing machine. The process is fast and makes cloths that; although differing in characteristics from classical textiles, are managing to find new applications as well as providing an alternative to more expensive woven or knitted cloths in others.

Most of the stitch-bonding machines are built in East Germany, although other types slovakia and the USSR. Most of the developments in terms of fabric applications have been Eastern Europe where criteria are not so stringent and where an economical process of this bind has considerable

A new range of machines has just been introduced in East Germany by VEB Nahwirkmas agent: Kennedy Wagstaff, 153 Parker Drive, Leicester LE4 OJP. Telephone: 0533 354321.)

This is the two-bar model 14012 Maliwatt machine which is able to produce fabrics up to 2400 mm. wide in gauges of 7, 10, 12, 14 and 18.

In this machine there are two guide bars, one of which is positioned above and one below the guide bar shaft. Cam boxes, however, have been omitted from the new machine which is fitted with two profiled discs, or pattern wheels, that control the stitch mechanism and are driven from the main gear box by a timing best, while the guide bars are moved through pattern wheel followers and push rods. With this new system the guide bars will repeat their pattern action on every stitch or after 2, 4, 8 or 16 stitches. With this more versatile machine it is possible to operate at speeds of up

Maliwatt is one of a series of speciality products in a range of stitch-bonded materials. It consists of a web of fibres sewn together by the binding yarns. Most of the fabrics would appear to be finding application in curtainings—both printed and plain — mattress tickings and as a support for coated fabrics which again can be either printed or plain.

Another and possibly even more significant development

from Malimo is that of Malifol which is being commercialised this year. Again it is a stitchbonding process but this is used to bind basic sheets of such materials as split polyester (which may be produced from regenerated plastic waste), pvc or polyurethane film which can be laid up in both warp and west directions. weft direction to give a very cheap substrate industrial raw material for say earth reinforcement or filtration or even packaging.

The materials produced can be 1.6 or 2.4 metres in width. Film may be fed into the machine as a complete film, but once penetrated by the multi-needle head. fibrillate into an even sheet of tapes that will run through the stitched material. For weft a simple carriage takes the sheet of film to and fro across the stitching width where it is held in place by weft "hook chains" on each side. The film, in this instance will normally pass through a small fibrillator unit at the side of the machine and this will disintegrate the sheet

of film as a network of fibres. In Eastern Europe the material from this Malifol machine has been used for carpet backings, as an insulation material and as an inexpensive support for coated fabrics. Interesting is that Malifol bas been conceived in terms of recycling thermoplastic wastes that can be converted into second quality film and used to 1,000 stitches per minute, but in these non-critical industrial-this will depend upon the type fabrics.

THIS IS HOW VOLVO RECHARGE THEIR BATTERIES.

Even the most hard working of firms should put its feet up now and again.

Which is one of the reasons so many of them appreciate having



set up in Irvine, a new town whose attractions extend much further than the office and factory floor.

To include all the delights of a place that's slap up against the open sea.

With a harbour that provides mooring for the sailing enthusiast.

Rivers with enough trout and salmon in them to catch any fisherman.

And golf courses that match any in the world.

Facilities which, taken together, make Irvine one of the most attractive business environments in the country.

And the only one in which leisure activities are more than matched by industrial incentives.

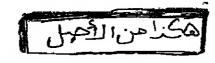
Strong enough to have persuaded not only Volvo but over a hundred and twenty other firms to set up business here.

If you'd like to find out more about what makes Irvine such a beautiful place in which to invest your future, write to our **Commercial Director, Mike Thomson.**

And tell him you're interested in floating a new company.

CURRENT DETAILS OF FACTORIES, SITES, OFFICES AND SHOPS AVAILABLE, TOGETHER WITH THEIR RENTS, ETC., CAN BE OBTAINED FROM MICHAELS, THOMSON, COMMERCIAL DIRECTOR, IRVINE DEVELOPMENT CORPORATION, PERCETON HOUSE, IRVINE, AYRSHIRE, KALL 2AL. TEL.: IRVINE 74100 TELEX: 7

IRVINE NEW TOWN 2)



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To us at Avis, 'We Try Harder' isn't just a slogan. It's a fact.

For example: a woman 'phoned our supervisor at Glasgow with a request. Would he meet her small son at the airport, drive him into the city then put him on the right train to take him to school in the country?

He did. And on his day off, too.

Or, how about the time a Canadian businessman turned up at Prestwick airport at 3.30 a.m. after a delayed flight. He had to get to a funeral on the Isle of Skye.

Most of the airport was closed. He contacted the local police who rang Avis girl Brenda Kilmartin. Within half an hour she turned up and had a car available for rental.

But it isn't just for the service that people come to Avis.

There are our cars. Most are spanking new, few more than nine months old.

And with nearly 70 offices dotted about the U.K., we're pretty local, too.

We also operate a one-way rental service. You pick up a car, then drop it at any one of our offices. At Avis, we really do try harder.



tries arder tries Avis



Vauxhall Cavalier.



Building and Givil Engineering

Big desert water supply project

for Sir M. MacDonald and meters of water originally proposed for supply daily to the construction of the Biredh desert capital.

water is up to 25,000 years old and is brackish. It has been desert capital. construction of the Riyadh Additional Water Supply Pro- deep aquifer about 100 km east 10 per cent of the available ject following receipt of a letter of Rivadh, pumping it to the city of intent from the Saudi after treatment. Provision has Arabian Ministry of Agriculture

The project, the total cost of which is expected to be about £400m, began with a water water supply. Water is expected resources study which Mac- to flow during 1980. Donald began in December 1972. The project falls into five This study was completed and parts: a deep well field, the a detailed report submitted water treatment works, a power three years later. The consult- station, a village and a 130 km. ing engineers were subsequently pipeline with associated pump appointed to undertake detailed stations and reservoirs.

design of the project to provide The well field will consist of

been awarded to Cementation

trunk road standards, commenc-

Road Construction Unit.

ONE OF the latest involvements exactly twice the 100,000 cubic 62 wells, 450 metres deep. The

Water will be drawn from a years of peak rate pumping only been made for the later incorporation of a desalination plant which say the engineers will be the largest reverse osmosis system ever built for domestic

from the desert winds and to provide fuel. The power station will provide standby power in case of mains failure for well pumps, the pipeline pump station, the water treatment plant and the village.

£2m Monk project

estimated that even after 60

The village will house 1,000

people and will be the first

permanent settlement east of

Riyadh on the Damman road.

There will be emphasis on irri-

gation and planting at the village, a belt of 40,000 trees

being included to act as a shield

been awarded to A. Monk and Co. by Fiat (England). Original

company in 1973 and the

Building will be a steel portal

store was completed by

water will have been removed.

Stockton/Thornaby diversion in the County of Cleveland has Bridge consortium. Eleven bridges, four culverts, Construction by the Department of Transport North Eastern · The contract, which will take two years to complete, includes the construction of a 6.4 km

ing to the South West of Hart- Tees is also involved and will burn and running eastwards comprise a composite deck with through urban/rural surround- a concrete slab carried by steel

Flood defence levels of three

£ $4\frac{1}{2}$ m Jarvis contracts

£10m road award

The six-storey headquarters and temporary accommodation well as open plan offices.

four under-passes and three retaining walls are included in the contract. Foundation conditions vary says Cementation and both piled and spread footings will carry piers and abutments walls to support large precast length of flexible carriageway to concrete unit decks,

frame structure with a concrete A new crossing of the River floor slab finished by the will have a dado brick wall with steel cladding to the eaves; the

Gevaert is to be built by J. Jarvis at a cost of £31m. Jarvis Texas, USA (the architect is has also won three other con- the Elsom Pack Roberts Parttracts which bring the total to nership), while in Sunderland, an external finish of exposed figure and Wear, Jarvis is build-aggregate to match an existing ing three terraces each of four

for Agfa-Gevaert in Great West single-storey advance workshop Road. Brentford, Middlesex, will, units on the Leachmore Indusin December 1980, replace the company's existing office block on the site. Designed by Fuller clates is the architect. Hall and Foulsham it will inand demonstration facilities as

A CONTRACT worth £10.4m for way will link up with the existthe construction of the A66 ing A19 interchange completed in October 1975 by a Cementation Construction / Cleveland

ings to Thornaby. The carriage- main girders.

Connecting with the stores is an office and welfare block also facilities for the First City of steel frame on concrete slab

National Bank of Houston, mounted on cast insitu concrete

Texas, USA (the architect is piles, Cladding will consist of banking hall facing on to Old piles. Cladding will consist of precast concrete panels having

trial Estate for the English Insteel frame on concrete foundustrial Estates Corporation. Ronald Chipchase and Assodations, pvc-coated steel wall cladding and asbestos cement of 1979.

In addition to the general clude a training school, cinema miles of the Middlesex bank of heating, ventilation and fire the Thames between Syon sprinkler facilities, the usual Garden Centre and Twicken- water and electricity services Under another award, the 20th ham Bridge are being raised by are to be provided, plus loading floor of 99 Bishopsgate, London Jarvis for the Department of bay, retaining walls and tarmac EC2 is being fitted out with air- Health Engineering of the surfacing around areas of the conditioned commercial banking Greater London Council. new construction.

Brims wins £5m in north-east

FOUR NEW awards to Brims and Co., total around £5m. Largest contract is valued at about £3.6m and is for the construction of the first phase of the new County Offices at Morpeth for Northumberland County Council.

This contract calls for the erection of two four-storey and two three-storey blocks of offices connected around a central courtyard by four three-storey links, giving a total floor area of about 10.450 square metres. Work is about to start with completion in two years. Work has started on a tele-

phone exchange at Newburn

and extensions to an existing exchange at Gosforth for the Property Services Agency—a contract worth over £600,000. At Seaham, the company is to build a multi-purpose sports DESIGN AND construction of hall for Easington District the extension to an existing Council (worth over fim) and spare parts store at Warrington, Cheshire valued at £2m, has Northumberland, the National Coal Board has placed a contract worth over fim for the

extension occupies a portion of a tarmac-surfaced car storage Bank job

vacuum treatment process. It A SEVEN-STOREY office building comprises Phase 1B of the glazing above and pvc coated National Westminster Bank, development, Bishopsgate roof is to be of asbestos London, and is the subject of cement sheeting, having ridge and slope smoke release ventilapiece of this development is the Nat West Tower, currently being built by the company and

Broad Street in a corner of the development originally designated for a new City of London aggregate to match an existing

Construction of the ... new Part of the contract includes building has been progressing auxiliary building of structural through much of last year under a letter of intent and completion is due at the end

Architect is R. Seifert and Pariners; structural consulting engineer Pell Frischmann and Partners; Troup Bywaters and Anders are consultants for the environmental services, and C. E. Ball and Partners and Thompson and Alexander the appointed quantity surveyors.

Buries cables in the sea bed

WORK IS in hand on the design of Glasgow, specialists in the and construction of a full-scale building of coal-cutting equiptrenching machine intended primarily to provide machines, has been closely a deep underwater channel to associated with Land and a deep underwater channel to protect the proposed 2,000 MW high voltage de cable which is contractor. to be laid between Britain and

France.

Though it is being built for the power project, the machine must inevitably be of special interest for the companies operating in the North Sea whose gas and oil pipelines are constantly at risk from trawls and the vast anchors of lay

Development work includes rock cutting techniques with the for the new 46-kilometre cross-necessary design and construc- Channel link. Land and tion and Anderson Strathclyde

ment and other similar mining Marine (Bos Kalis) as a sub-

have been run in a number of the final design will be put through its paces in Channel later this year.

Land and Marine is also assisting Balfour Beatty in a Thie new cable link will parallel development—like the greatly extend the intercon-

Tests of prototype equipment quarries in the past year and

first commissioned by the Central Electricity Generating Board—to build the cable laythe evaluation of underwater ing machine that will be needed Marine's involvement is in the

design and provision of the jetting equipment required to clear away the softer deposits ahead of the machine.

Full scale trials of this equipment are intended to take place in the Channel con-currently with those of the rock trencher.

Bos Kalis Westminster Group is at Westminster House, Blacknest, Alton, Hamphire GU3-4PU. 04204 3361.

The new cable link will nection between the UK and French grids which are now exchanging power through a 160 MW undersea cable.

The track to be followed will run from Dungeness Equihen, near Boulogne.

Keeping the rivers sweet PREVENTION OF pollution of oil particles preferentially

ject of increasing concern for to form larger droplets as they the general public and for Governments all over Europe and waterborne craft need to discharge some effluent and restrictions on this inevitable discharge are being made more

Lee Engineering has been looking at the problem from its own viewpoint of equipment manufacture and has come up with numerous products that will handle several situations, including those demanding oilwater separation.

Coalescing separators will deal with conditions which arise in the latter problem area and they are based on the use of cartridge elements containing tightly packed layers of fibrous materials. These oleophilic fibres, frequently as small as 0.5 micron in diameter, act to sweep up oil droplets in continuous water phase so that when emulsions are forced through such filters, the tiny

Bovis takes

THE NEW Marriott Hotel in

Amman, Jordan will have Bovis

International as construction

manager, following the com-

pany's appointment by Inter-

indoor swimming pool, confer-

16-storey reinforced concret

Total floor area of the 300-

edroom hotel will be around

Construction

Hotel facilities include an ings.

fair-faced

charge in

Amman

Investment Company.

concrete cladding.

26,000 sq metres.

national

inland waterways is the sub- adhere to the fibres, coalescing migrate through the elements, emerging in aggregations large Governments all over Europe enough to rise quickly to the and the world. But industries top of the water, ready for removal by skimmers or other equipment.

Typical systems will remove free, dispersed and emulsified oils to a content of less than 10 parts per million.

Particularly important is the company's claim that its nonblinding cartridges provide an element life of as much as up to 50 times that of conventional cartridges. Meanwhile, system will produce quality recovered oil typically less than | per cent water content.

Equipment is available to handle flow rates from one to 1,500 gallons per minute and it is delivered in ready to use arrays either for shipboard or land-based installations. Lee Engineering. Napier House, Bridge Street, Walton on Thames, Surrey. Walton on

Hospital, Sussex, will be under-

Regional Health Authority.

of a new block and link bridge

as well as modifications to the

theatre area and other build-

Sussex

nospital

£1.6m to Tilbury

Silchester Works where exten-sions will include pumping stations, humus tanks, pebble clarifier pipework chambers and

Consulting engineers expand

as White, Young Project

Aim of this venture is to co-EXTENSIVE WORK at Crawley ordinate the Group's international and management contaken by Willment's building sultancy work and particularly and civil engineering division awarded by SW Thames it will concentrate its activities on project initiation covering planning and feasibility studies, Contract covers the building contract preparation and negotiation and the appointment and supervision of contractors. An all-round project management service will also be offered.

Willment has already started

SOUTHERN and Lambourn division of the Thames Water Authority has awarded contracts worth more than £1.26m and £325,000 respectively to Tilbury

Construction.

Reconstruction of the Leatherhead Sewage Treatment Works is now in hand. This involves demolition of the existing structures and the provision of an oxidation ditch, three settle-ment tanks, and all other necessary works.

Work is also starting at the

CONSULTING engineers White, Young and Partners have formed a company to be known Development.

The company will be based at

Wiltshiers' acquisition INCREASING activity in the

southern area of the UK by Wiltshiers is foreshadowed by the latter's acquisition of some of the assets of the former Winchester-based contractor Hantscon.
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he known as Hantscon Builders, has been formed to undertake contracts worth up to about £250,000. Wiltshiers will set up a regional office at the premises in Winnall Close, Winchester, originally occupied by Hantseon. The existing steel fabrication and metalwork section, as well as the joinery and small works department are to remain and the 24-hour emergency service is

Offices in

to continue.

HIGGS and Hill Northern has been awarded a contract, valued at £2.3m by Electricity Supply Nominees for the construction of a 7,618 square metre office block, and ancillary works to existing buildings, in Leeds City Centre between Infirmary Street and Quebec Street.

The new L-shaped building will be a reinforced concrete structure with a basement and six floors. The ground floor is to be fitted out as a display area, for office letting purposes.

Offices by **McAlpine** CONSTRUCTION OF a six-

storey office block in Farnsby Street Swindon, is the subject of a £2.3m contract awarded to Sir Robert McAlpine and Sons by Abacus Developments and Ragian Property Trust.

Work begins this month on the 66 metres by 21 metres onplan structure, generally comprising reinforced concrete columns, hollow pot floors and ence rooms, ballroom and work on the project which is Forum Chambers, Town Centre, a raft foundation, externally restaurant It is designed to five due to be completed in 104 Stevenage, Herts SG1 1EL clad with facing bricks and star standards and will be a weeks.

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International Hotel Company and will be operated by the Marriott Corporation. In 1974, Bovis was responsible for the project management of the Marriott Hotel in Amsterdam.

IN BRIEF Edinburgh office of Wimpey Construction has been awarded contract valued at just under £im by West Lothian District Council for a sports centre to be built in the Craigswood area

of Livingston New Town. THREE contracts awarded to J. F. Finnegan (part of Clugston Holdings) are worth a total of £1.5m. Two are for Leeds City Council and Amber Valley District Council for the construction of council houses Other contract is for construction of a 20-bay ambulance depot with administration offices and welfare rooms for Trent Regional Health Authority at Middlewood

A two-day seminar aiming to give guidance on resisting contractors' claims is to be held at the Europa Hotel, London W.1 on March 26 and z:.
from Investment and Property
Norwich House, Studies. Norwich House, Norwich Street, London EC4A Church Army Housing Association has awarded a £441,000 contract to D. Wilson (Birmingham) for the conversion of a former vicarage at Cemetery Road, Lye, into four flats, guest room and warden's office. addition, a three-storey block containing 24 bedsitters is being built for senior citizens, to-gether with a block of 12 one-

Hospital.

bedroom flats. Investigation into crane accidents, their causes and repair costs, is the subject of a paper by A. J. Butler. Copies free from the Distribution Unit, Building Research Establishment, Garston, Watford WD2 7JR.

• 1979 Concrete Year Book (a handbook, directory and catalogue of the industry in the UK) is now available at a cost of £7.00 from Publications Sales Unit, Cement and Concrete Association, Wexham Springs, Slough SL3 6PL.

 Tenders have not yet gone out for Sulzer Bros (UK)'s planned £15m factory, to be built 5 km from the present factory in Leeds. In the main, the project comprises a work-shop, test stand, a six-storey administration block, and a canteen building. Work has started on an

advance factory of 900 metres for the Department of Industry at Cornwall Street, Openshaw Manchester, says the English Industrial Estates Corporation. Contract worth about £171,000 includes site development works and has been awarded to Pochin Contractors of Middlewich.

6.000 sq metres. It is being built for the Arab pregnational Hotel Company NDUSTRIAL CUMBRIA



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The Norwich way with the new Horsham town centre is good news for the Jeffers family.

a

Tom and Jacqueline Jeffers are all in favour of Horsham's new shopping centre developed by Norwich Union in partnership with the Town Council.

Jacqueline, like other housewives in and around Horsham; is glad to have a

date shops. Tom Jeffers is a policyholder with Norwich Union and he appreciates how their property investments pay off. For Horsham centre is only one of a number of first class developments which help to earn bigger annual

bonuses for people who have life insurance with Norwich Union.

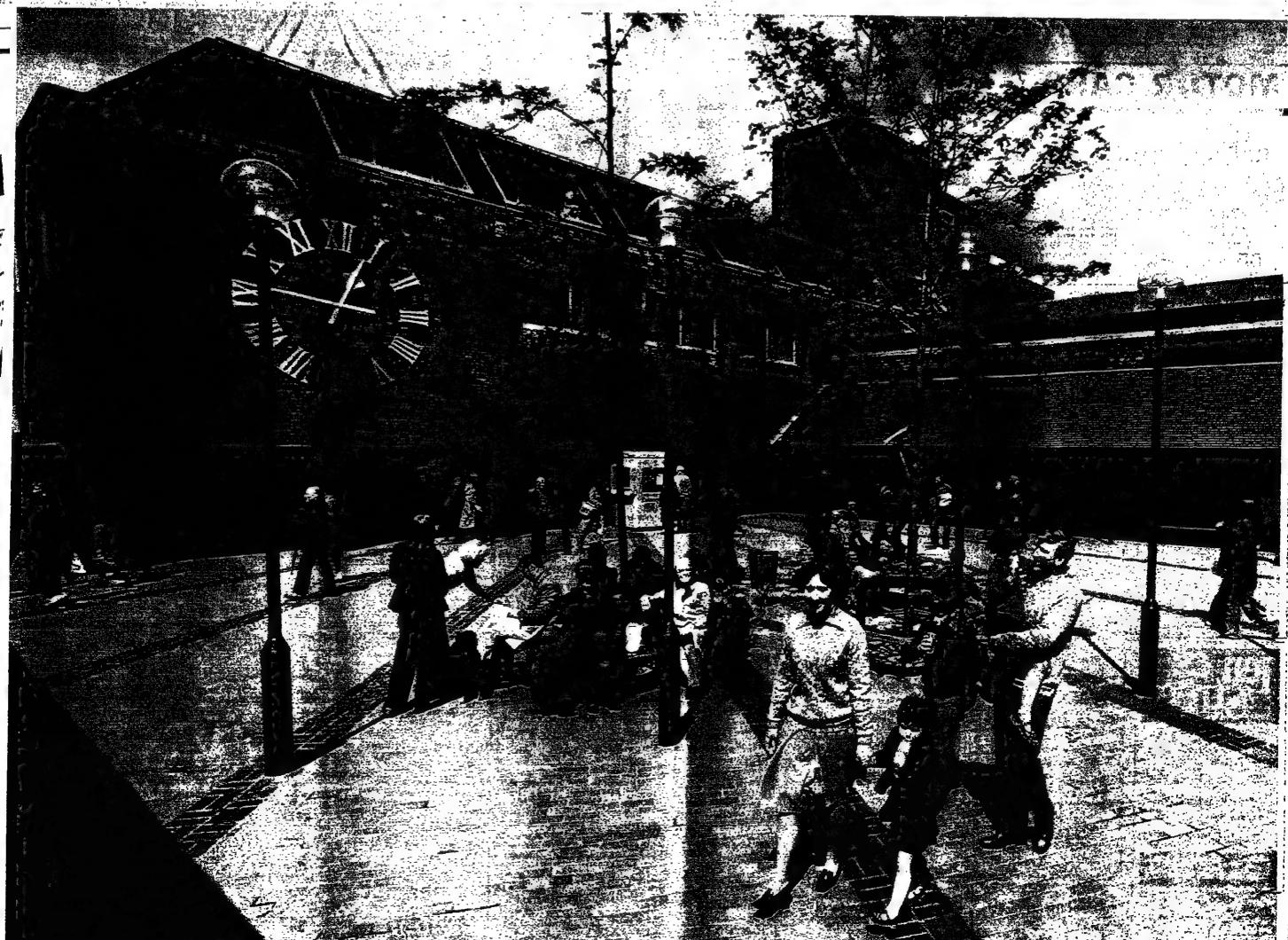
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BRI

THE Japanese "group system," rather than any overt intention to been out imports is increasingly being seen as the reason for Japan's failure to buy more from Western industrial countries. The existence of the system, according to Western diplomats stationed in Tokyo and European businessmen trying to get their products into the Japanese market, could explain why even ambitious Government-sponsored import promotion missions such as the ope now visiting Britain seem unable to make much of a dent

Japan resembles most other Fair Trade Commission) whose duty is to detect and suppress attempts at the formation of life where "group alleglance" cartels. The FTC, however, is fostered by the lifetime failed to cut much ice with big employment system in large business during the decades of companies. ultra-rapid economic growth. Its

on the problem of Japan's trade " Group advanced countries in possessing individual and personal basis at a watchdog organisation (the school and in university where

voice has been heard more often in the recent past (for example Kirin Brewery, a member of the company, large or small, has its Mitsubishi industrial and com- affiliations to a whole variety of mercial group, was warned not trade bodies which are usually to expand its share of the well-financed and well-staffed. Japanese beer market beyond Much of the management of

But it looks as if the FTC "second career," which means IN ALL the Western indus-

trialised countries it has become

increasingly difficult to place young people in johs. In the

than 7m unemployed aged less

than 25, of whom over 2m are in the European Economic Com-

munity. Whereas young people

only represent 17 per cent of

the EEC's active population.

they account for 40 per cent of

total unemployment. However,

this unemployment is only one

aspect of a far more profound

and general problem of recon-

The situation is particularly

acute in France, where 600,000

young people join the job market every year; 14 per cent

of those in the age range 16 to

The slow-down in economic

growth is not the only reason

for this potentially explosive

labour has also been reduced

an even greater degree, in parts

of the service sector—thanks in

part to the microelectronics

prove job security have also

The demand for

ciling workers with jobs.

25 are unemployed.

revolution.

be able to alter the fundamental have retired from influential group-oriented business tradi-positions in companies belonging tions which make life difficult for foreigners seeking entry to the Japanese market as well as Japanese newcomers who lack contacts in the right places. formation " considerable.

Japanese society begins on an follows through into company

Japan is also the land of trade associations and societies of every conceivable kind. Every such bodies is usually on its

positions in companies belonging to the same industry. Few com-panies stay outside the associations which are active in their industries so that scope for voluntary regulation on an industry-wide basis can be

Framework

peculiarly Japanese phenomenon are the large trade groups (Mitsubishi, Mitsui, Sumitome etc.) of which some 10 leaders account for well over half of the nation's imports and exports. The household names which dominate foreign (and domestic) trade are also represented in banking, heavy other industry and many sectors. They are grow stronger—and tending to grow strongermore numerous; powerful new

Sanwa Banks now compete with descendants of the pre-war Zaibatsus. Both the old and the new

or banking-oriented groups represent an ideal framework within which to realise the natural Japanese tendency owards cohesion and consensu Not only will all organisations within such a group have regard to each other's interests, but at the highest levels of co-operation each group will be able to pro-vide a unified view and a spokesman. Decision making within groups may be slow and cumbrous but once a Japanese organisation of any kind arrives at the starting line it moves thereafter with frighteningly coordinated precision.

Nobody would suggest that the effect of all this is to make Japan into a manalike society. or that there is an Orwellian groups such as those centering Big Brother dictating every

on the Dai-ichi Kangyo and move. What the existence of the groups does appear to mean is that the cold winds of competition are tempered by carefully built-up feelings of obligation among group members—sometimes to the very considerable detriment of outsiders.

> The UK has a large and competitive components industry which exports in volume to many European and US motor manufacturers besides supplying much of its home market but which has failed to sell significantly in Japan (despite a major government-backed sales effort over the past three years or so). Its failure, despite the haffling variety of excuses put be put down to the simple fact that Japanese motor vehicle assemblers, from Toyota downwards, are too closely linked to their traditional parts suppliers to be able to risk switching pro-

Toyotz itself is believed to be involved "group-type" relations with over 200 subcontractors. Many of these would, in UK terms, be deemed subsidiaries or associates of the parent Toyota Motor company but many more, while nominally independent, are in fact dependent on Toyota for guidance in technology, production engineering and, frequently, managent skills. The circumstances are identical for every Japanese vehicle maker and the Japanese ethic requires that obligations operate in both directions.

Friction

While his local suppliers are loval and obedient no Japanese vehicle manufacturer feels that he can afford to buy foreign-even if the price is more attractive and even if to do so frictions in an overseas market.

components - industry applies also in the artificial fibres industry where hard-pressed Japanese manufacturers have been using their consensusseeking machinery fiercely to resist imports. U.S. exporters have found cause to complain about the failure of their acrylic fibres to find a market among Japanese spinners even though they have a price advantage. From the UK, Courtaulds has had a similar problem with rayon acetate.

In consumer goods industries Japanese "groupism" manifests itself in the control many manufacturers exert over distribution (down to the retail level) and in the sheer size of some leading companies' market shares. If a manufacturer holds 60 to 70 per cent of the market for his product it is clear that every might help to smooth out retailer will want access to the product and will expect to

depend on it for a reasonably large proportion of his turnover. It follows from this that he will be susceptible to persuasion on the allocation of space to competing products and on the amount of time and effort devoted to pushing sales of goods made by smaller companies. None of this works to the advantage of the importer, any more than it helps small or arrived competitors.

Because group ties are strong, and perhaps even getting stronger, Japan is not yet a truly open and competitive market for foreign manufactured goods-no matter how strong the intellectual commitment of some business leaders and bureaucrats to make it so. This is not to say that things are no better today than they were, say, 10 years ago. does seem to be implied is that Japan may have to "change its spots" in a very fundamental way before exporting to Japan becomes as easy for a British businessman as exporting to Britain is for Japan.

> By a correspondent: in Tokyo

French tragedy of the jobless young

Why Japan's import mission to Britain may face its biggest problems back home

Selling to Japan: the hidden barrier

young people have been further many of them which borders on Since the upheavals of 1968 there has been systematic discrimination against those who are suspected of being lacking in motivation, irregular in their work, without respect for their superiors and even perhaps

In the service industries, the only growth sector, their place been taken to a considerable extent by married women in their forces whose children have grown up.

However, an equally serious and fundamental problem conby productivity improvements cerning the employment of young people is the inadequacy of their education. Overall, both in manufacturing, and to general education and technical training have failed to keep pace with the constantly changing requirements of work for Regulations designed to immanufacturing and service industries.

made the labour market far more rigid, by deterring com-Usable educational attainpanies from taking on new emments are of lower quality than ployees. One of the principal those in the past; training in particular skills pays too little victims has been the young person seeking a first job, who now attention to practical requirefaces an unemployment rate five faces an unemployment rate five ments. In many cases it is times higher than for other insufficiently specialised. Faced

workers. The job prospects of with the problem of recruitment, many personnel managers worsened by an attitude towards are driven to a despairing: "They don't know anything."

Many employers feel that the value of degrees and diplomas is exaggerated, and therefore oblige graduates to accept less skilled jobs than they expect and than their paper qualifications justify.

A survey* of graduates from university technical institutes showed last December that 93 per cent of the young people interviewed had found, their studies interesting; however, 38 per cent felt that their job did not match up to their qualifica-tions and 41 per cent wanted a change.

Probation

Although the unemployment rate is generally lower among better qualified people, graduate unemployment is nevertheless substantial and growing. It now takes five years to find jobs for an annual output of graduates; only 60 per cent are in employment six months after the end their studies. Even those skilled workers who have a certificate of professional apti-

tude (CAP), and are taken on to the employers' needs. more readily than graduates cation, are now finding things more difficult. This is particu-larly true for women in the service sector. However, it also affects industrial workers whose first job is often of limited duration, perhaps in the form of a probationary period, and therefore lacks security.

Many young people manage to prolong their studies so as to give them more time for an extended job search or perhaps put off the evil day when they must face up to reality and the fact of unemployment. But this is often a mistake. Beyond a certain point, people and less and less able to carry out a proper job. Personne departments are well aware of this. Although it is extremely difficult to specify, each individual seems to have a limit beyond which further training

For this reason, the special measures to help young people introduced over the last three years have been designed; both to facilitate employment and

is counter-productive.

The second "National Employment Pact" between the governand the employers' association covering the period from July 1978 to the end of 1979, includes the following

Employers giving apprenticeships to young people between 16 and 20 are relieved of social security payments for one year. To quality for this, the young person must be attached to an Apprentice Training Centre and receive supplementary

For young people between 17 and 26, there can be a similar 50 per cent reduction in social security payments for employment-training contracts for a minimum duration, which can between six and twelve months, according to the circumstances. The state also makes lump sum grants for the training that the employer has to carry out. Under a third scheme, firms

employing less than 500 workers which recruit young people between 18 and 28 and show an overall growth in employment can also obtain a 50 per cent reduction in social security payassist training which is related ments for one year. Finally,

the State is prepared to pay 75 per cent of the basic wage of young people carrying out four months on-the-job training schemes

There is considerable argument as to the effects of these measures. The Government feels that they are appropriate in that they are geared to helping young people find jobs. But the unious have suggested that they simply give employers cheap labour with no job security. No one would deny that the schemes are little more than palliatives.

Horizon

From the strictly economic point of view, it is by no means clear that a renewal of sustained economic growth would lead to a substantial increase in employment. There is still potential for major productivity improvements in industry. The same is true of services such as banks, insurance, health, education; furthermore, the future. growth of these activities is dialogue or consultation with likely to be substantially lower their superiors; the latter are

to 1975.

the relationship between young people and their jobs.

Over the last 30 years we have given broader cultural horizons to the maximum number of students; it might be more accurate to say that we have supplied them with a stock of aspirations that go much' generations. But, in the lest quarter of the 20th century it seems very unlikely that industrial society will be able to satisfy the aspirations of these new workers in terms of living consumption,

It is revealing to listen to the opinions of these newcomers,as revealed by a recent emplovers' association survey. While they accept the need to work, they expect this work to be interesting and to involve a degree of responsibility and independence. While they accept the need for a heirarchy within the firm, they are highly critical of the lack of than in the period from 1960 felt to be negative and hostile

behave "naturally," but feel obliged to act out a part if they are to integrate into a system lacking in information and communication. It is worth repeating that nearly 40 per cent of graduates from univer-sity technical institutes were dissatisfied with their job.

Clearly, there will be an increase in the demand for specialists of all kinds, particularly through the introduction of sophisticated techniques; such specialists find job enrichment through their work. However, the numbers involved are very small. For the majority of employees, the bitter struggle to find a job will be followed by a growing gulf between the employee's hopes and interest offered by his job.

Rapid change is, therefore, vital, both in adapting training systems to the realities of life developing new approaches to work-for example through greater flexibility, both in relatively simple aspects like working hours, and complex ones such as careers—and in the introduction of new patterns of communication and mand. The alternative is likely to be the unleashing of destructive forces on the tragic pattern of the Italian Red Brigades.

Jean Saint-Geours is President of the Metra Group of consulting companies. ikely to be substantially lower their superiors; the latter are han in the period from 1960 felt to be negative and hostile nationale des Diplomes Universitaires to 1975.

The basic problem is one of . Within the firm they wish to occasion of its 10th enniversary.

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processing systems architects." This is as true for hardware/software optimization as for the design and implementation of teleprocessing systems. Our expertise in this extremely advanced field is proven.

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We are convinced that, today, expertise in data processing means expertise in teleprocessing networks. System and network architectures are also a perfect illustration of our concept of "creative data processing": placing a practical, flexible and easy to use tool at the disposal of people and organizations to enable them to get the maximum benefits from their innovative and productive capacities.

Our growth, in figures.

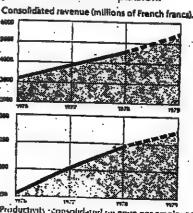
Cii Honeywell Bull's research and development policy, which guarantees its competitiveness in the international data processing market, has been rewarded by continued, balanced

At the financial level, our consolidated revenue increases by an average of 15 % a year. Fifty-three per cent of consolidated revenue is earned outside our headquarters country, France, clearly demonstrating our success in international markets - an index of competitiveness. Our productivity per employee

puts Cir Honeywell Bull in the first rank of data processing system manufacturers on a worldwide basis. Our net profit continues to grow, as does our cash flow (16.8% of consolidated revenue in 1976, 17.4% in 19.71. And our debt, equity ratio of less than 1 (at the end of 19.78) confirms the solidity or our balance sheet and provides us with the means for growth.

Continual expansion worldwide.

At the marketing level, Cli Honeywell Bull is present now in 32 countries and its products are found in 67 countries on five continents. Our business, which originated in Europe, has spread to the rapidly-growing countries of South America, Africa and Asia. It is developing in the USSR, India and the People's Republic of China, countries which are among our priorities for market expansion.



furthermore, our association with Honeywell Information Systems Inc. gives us access to the American market the biggest and toughest in the world. The international success of our Level 64 systems is a significant case in point: out of nearly 1,500 orders for these systems to date, representing 18 million dollars in rental revenue per month, nearly a third came from the United

We have set ourselves the objective of being amongt the foremost worldwide in data processing by taking advantage of all the possibilities offered by a growing market. Ambitious, this may be; but it is also realistic. With its considerable financial, industrial and marketing resources, Cii Honeywell Bull has the means to do it.

Cii Honeyweli Bull

Creative Data Processing

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is simple aspen to hours and enter section of new per immunication and The alternative side immediately and the alternative side immediately and the first section of the first s

orldwide.

We're sorry to keep you waiting for our comeback

It is three months since our newspapers were suspended; long enough to forget what this dispute is all about.

Last April, we said that unless we could reach agreement with our Unions by 30th November we would suspend publication. We put proposals to Union Leaders, and to the staff through their Union representatives, which will ensure better conditions for everyone, and regular delivery of the newspapers to our readers.

At the time, many Union leaders welcomed these proposals, because they would bring sanity to the industry, and would strengthen, not weaken, Trade Unions.

We suspended publishing because, in the end, we had to. Throughout 1977 we had lost 7 million copies of our papers. In just the first quarter of 1978, we lost nearly 8 million copies and at 30th November over 13 million copies. In every case, the losses were caused by unofficial strikes and restrictions. If existing disputes procedures had been observed our readers and advertisers would not have lost a single copy.

What are our proposals?

- by everyone, for resolving disputes before, not after, copies are lost or disrupted, and the newspapers suffer yet another setback. Nobody pretends this is always easy; but we think our proposals are fair and reasonable, as well as being in everyone's long-term interests.
- 2. We want to replace old machinery and equipment, and to phase in gradually some of the 'new' technology that many papers elsewhere in the world have been using effectively for the last ten years. The craft Unions (understandably enough) have been worried about its impact on their members' jobs; so we've made proposals to meet this very real problem.
- 3. It's no secret that British newspapers are heavily over-manued in some departments. We want to reduce this over-manning; and again, our proposals include a deal that will make this possible without hardship to anyone.

What are the benefits? 1. To our staff:

Higher pay for the vast majority Six weeks holiday for everyone Much better pensions for everyone Better sick pay

These are the immediate benefits. But in addition the new technology will give many staff new and higher skills; in some areas it will create cleaner, quieter working conditions. The proposals as a whole will give the staff greater security, because they will be part of a more efficient, thriving and profitable company. The uncertainty of the last few years will be a thing of the past.

2. To our customers:

Regular delivery of the newspapers Higher quality Better value for money

We are proud of our newspapers. But the struggle for their survival has been hard. It took us ten years to get The Times to a break-even point. We cannot be proud of our service to our customers: trying to produce our papers on antique equipment, over-manned and beset by continuous unofficial disputes and restrictive practices, cannot be in the interest of readers or advertisers.

3. To the Company:

Survival

A stable economic base for expansion and development

Fleet Street and the New Technology

Some other newspaper publications have reached agreement with the NGA on the 'New Technology'. These agreements cede total jurisdiction over its application to the NGA.

However, the type of applications agreed upon have little or no relevance to the ultimate needs of our own newspapers with their high volume of text and heavy type-setting load.

ype-setting load.
Our needs are different.

Will anyone suffer?

No. NO ONE WHO DOES NOT WANT TO LEAVE HAS TO LEAVE. For those who want to leave, redundancy is totally voluntary, and THE TERMS OFFERED ARE SAID TO BE THE MOST GENEROUS PROPOSED IN BRITISH INDUSTRY.

Those affected by technological change will be offered full retraining.

"We are totally dedicated to the continued ownership and publication of The Times, Sunday Times, The Supplements and their related publishing interests. None of the properties or assets of Times Newspapers are for sale, either to companies or individuals or to any other agency or institution."

> Statement from Mr. Gordon Brunton, Chief Executive of Thomson British Holdings Ltd. 20th February 1979.

So why haven't the proposals been accepted?

They have been accepted by many of the staff. From the outset many Union officials have been willing to negotiate constructively. They have found that everything in our proposals is negotiable, and the Company has been flexible on every point at issue.

We have reached agreement with 20 groups, representing some 40% of our permanent staff, covering sections of almost every Union.

Times & Supplements Journalists
Sunday Times Journalists
NUJ
Engineers
Circulation Representatives
Printing Machine Branch
Carpenters and Allied Trades
12 of 14 sections of RIRMA
Electricians
(at national and area level)
NUJ
AUEW
SOGAT
VOICE
NUJ
AUEW
SOGAT
NATSOPA
EEPTU

We are still having progressive discussions with other groups. But not with all of them.

We still hope the NGA will talk to us. The jobs of their members in Times Newspapers are guaranteed, unless they wish to volunteer to leave with generous severance pay. Many of their members are very keen to adopt the new technology. We can negotiate the details of the application of that technology.

It is only by agreement, by reasonable men talking together, that a fair settlement can be reached.

We shall continue to try, and will ultimately succeed in reaching agreement with all staff and with all Unions. After all, we are offering HIGHER PAY for HIGHER PRODUCTIVITY to staff that are already, in most cases, among the highest paid in Britain. And everyone's job is guaranteed.

One thing is certain. We will not go back to the industrial anarchy that existed before we suspended our newspapers. We cannot agree that this country should alone be prevented from making full use of available technology and machinery.

We shall be back — but not at any price.

TIMES NEWSPAPERS LIMITED

THE TIMES, THE SUNDAY TIMES, THE TIMES EDUCATIONAL SUPPLEMENT, THE TIMES HIGHER EDUCATION SUPPLEMENT, THE TIMES LITERARY SUPPLEMENT

LOMBARD

The big German money illusion

BY SAMUEL BRITTAN

increase in the money supply in both years. On the narrower without an inflationary explosion? Please explain. growth indeed in 1977, made up for by a spurt in 1978. More-the British Chancellor, Mr. the British Chancellor, Mr. Denis Healey, have been flying down Treasury corridors with great frequency. Eventually, Mr. Healey could no longer contain himself and raised the matter in an exchange with Mr. Enoch Powell, who promptly put down a Parliamentary Question.

no 20 per cent German would happen with similar figures in the U.S. or the UK.

The important ticular scare only arises if an

% INCREASES IN MONEY SUPPLY

		() (IACKERS		4 PIONEL 3			
		November	1974	- November	1977		
•	United Kingdom * West Germany Switzerland			M7 MT MT	20.8 10.5 5.3	£M3 M2 M2	7.1 9.1 7.0
	Fr	November	1977	- November	1978		
	United Kingdom*			M3 ·	14.1	. 24 3	13.4
	West Germany			: M1	12,7	. M2	14.3
	Switzerland			MI	23.5	M2	801

M2 is the nearest equivalent aggregate to Sterling M3 in Switzer

Source: Hensard, Fabruary 23

fakes a short period change, and expresses it at annual rate— that "inflationary expectations just the thing that Mr. Healey; are revised slowly, especially if fixe his fellow Finance Ministhan the British equivalent.

Even this was an aberration due to the backlash of dollar purchases insisted upon by the German Federal Chancellor, In 1977 the German money supply on the same definition rose by only 91 per cent: and this January the Bundesbank changed course and increased zeserve requirements to lighten nionetary control.

Moreover, it is necessary to look at more than one definition. The one labelled "M3" in the LK, and "M2" in other countries, so favoured by the UK Treasury, is the one most Eattering to British performance. On the narrow "M1" definition the UK had a far faster monetary growth than Germany in 1977 and a somewhat faster growth even in

† indicates programme

in black and white.

BBC 1

For Schools, Colleges, 3.15 Songs of Praise, 3.53 Regional News for

England (except London). 3.55 Play School. 4.20 It's the Wolf.

4.25 Jackanory, 4.40 Bacey Pants and the Nitwits, 5.60 John Craven's Newsround, 5.10 Blue

6.40-7.35 am Open University

"WHY HAS Germany been able had slower monetary growth to get away with a 20 per cent than both Britain and Germany domestic base, relative to over-seas demand for the franc. The Swiss authorities may well find it hard to exclude non-resident balances altogether from their computations, as is normal in money supply measurement.

The German and Swiss monetary expansion of last year Question.

The results should lead to a dropping of this particular as much as would happen with

Economic Newsletter stresses, is

they are well entrenched." ters, is always and correctly once these changes occur they telling journalists not to do. In the year to November, 1978, the on exchange rates as happened German money supply broadly in the case of the U.S. dollar. defined rose by just over 14 per cent or about 1 per cent faster the Germans have time to put their monetary course back on path. during ...which time velocity can and does faller in similar circumstances, ... the Americans and the British would

not be given the benefit of the doubt by the financial markets. and exchange rates and inflation rates would deteriorate much more quickly. Nor is this all. The trend rate of monetary growth consistent with stable prices is much higher in Germany and Japan than in the U.S. or Britain (France and Italy come some-where in between). This is partly a matter of higher real

growth and partly a matter of different institutional forces. But a large and sustained monetary acceleration will still produce rapid inflation even in Germany and Switzerland. And a sustained monetary clamp-

Even more sensational state—eventually—even in Englishments are sometimes made speaking countries. At this level about Switzerland based on of argument inflation is a short-term movements. But on "mono-causal" phenomenon. the broad definition Switzerland like it or not.

The conflicting claims of justice and law

IN A SINGLE DAY this week to a lecturer at the University geniously argued that the policy of offering its council the House of Lords is handing the House of Lords is handing the House of Lords is handing two-year lease, the lecturer envisage giving rights to one of affecting materially the law stayed on, and so the two old two or more joint owners. The Gibson, who had always been concluded. In August, Mr. to buy another property.

The purchaser failed to discharge the ment, resolved not to sell its the sums required to discharge the most gages and a loan raised houses to tenants except where the most gages and a loan raised houses to tenants except where the most gages and a loan raised houses to tenants except where the most gages and a loan raised houses to tenants except where the most gages and a loan raised houses to tenants except where the most gages and a loan raised houses to tenants except where the most gages and a loan raised houses to tenants. Mr. legally binding contracts had by the vendors to enable them laws affecting to housing. Rarely can laides started proceedings to fact that Parliament had not keen to buy his house for sale on favourable houses to tenants except where the most gages and a loan raised houses for sale on favourable houses to tenants except where the most gages and a loan raised houses for sale on favourable houses to tenants except where the most gages and a loan raised houses for sale on favourable houses to tenants. Mr. legally binding contracts had by the vendors to out the most gages and a loan raised houses for sale on favourable houses to tenants. Mr. legally binding contracts had by the vendors to out the most gages and a loan raised houses for sale on favourable houses to tenants. Mr. legally binding contracts had by the vendors to out the most gages and a loan raised houses for sale on favourable houses for sale of the most gages and a loan raised houses for sale of the most ga the Law Lords have been so recover the premises so that the used that terminology was expleted the necessary forms with the house would not be proceed. The purchaser failed to come concentratedly involved with one could go back into resiplicable because there are other an administration fee of £3. In ing. The judge at Manchester one of the basic needs of the dence. The relevant provision forms of shared interests in early 1971 the city treasurer County Court duly ordered the specific performance. In Interests citizen, a roof over his head at in the legislation is exclusively a price that can be afforded. It is an oddity of Parliamen-

tary history in the field of social legislation that throughout the period of the Rent Acts, lasting now over 60 years, no express provisions have been made in hose Acts relating to the rights of joint landlords and joint tenants; hence the case of reached the highest court in the

land from its humble beginnings in Canterbury County Court.

The simple question that provoked judicial disagreement as to the answer was whether one of two joint owners of a dwelling house, who occupied it as her residence before letting it, was entitled to recover possession when she desired to re-acquire it for her own residence. By a majority, the Court of Appeal upheld the County Court judge in stating that there was no right of recovery from a pro-tected tenant of a house in joint ownership, where only one of the joint owners wished to

In their own house in Canter the tenancy and now wanted to bury. After one of them left to get back into possession, but in Oxford, the remaining the two joint owners, let the house for two years Lord Justice Eveleigh inone let the house for two years

single-minded; it has dealt only

with the owner-occupier.
The law provides that "where a person who occupied the duelling house as his residence let it on a regulated tenancy and the court is satisfied that the dwelling house is required as a residence for the owner-occupier," an order for posses-Tilling r. Whiteman, that has sion against the protected tenant may be made.

The house at Canterbury was let by the two ladies as joint owners. Since the Interpreta-tion Act 1889 allows a court to construe "person" as plural, and since both ladies had previous to the tenancy resided there, so far so good. But the two ladies then had to ask the judge to put a different singular construction on the words, owner-occupier," that appeared in the latter part of the provi-

The majority of the Court of Appeal held that the "owneroccupier" who qualified under reside there. the provision was not the one Two elderly ladies had lived lady who had stayed on before ence to joint owners might be stated figure.

forms of shared interests in early 1971 the city treasurer County Court duly ordered the envisaged, and a specific reference to joint owners might be compared to sell at a tract of sale. In the Court of the correction to perform its construction to perfo real property that might also be wrote saying that the corpora-

unduly limiting. Since the The tenant was requested to Justice Ormrod said that, view-other two judges, in disagree-complete the form. This he did ing the correspondence as a ing, felt bound to follow a incompletely; he left the pur, whole the circumstances of the

THE WEEK IN THE COURTS

BY JUSTINIAN

1948 decision of the Court on chase price blank and returned the slightly different wording it with a covering letter asking in the 1933 Rent Act, the House for consideration to be given to Lords may find it easier to do justice to the one landlady who wishes to return

Justice too may be done (as the majority of the Court of Appeal did it) to about 350 tenants in Manchester caught up in the political crossfire between the Labour and Conservative factions on the Manchester City Council. In Gibson v. Manchester City Council the plaintiff was the tenant and occupier of a

defects in the pathway up to the house. The corporation wrote back saying that the price had been fixed according to the condition of the property. The tenant replied asking the cor-poration to "carry on with the purchase as per my applica-

The corporation duly took the house off the list of tenant-occupied houses for whose maintenance it was responsible,

negotiations and the conduct of the parties, there had been a concluded contract for the sale of the house which the tenant was entitled to have specifically performed on the term of the usual agreement for the sale of a council house by the corporation to the tenant.

Lord Justice Geoffrey Lane, while expressing great sympathy for all 350 tenants affected by the reversal of policy by the local authority, thought that no legally binding contract had been reached:

In the third case the question was whether the sellers of a property could claim damages from their purchasers when the latter had failed to perform council house owned by the corporation by whom he had been employed for 16 years. In 1970 the corporation had declared its

Appeal, Lord Denning and Lord of the properties enforced their securities by selling the pro-perties. The proceeds realised by the mortgagees were insuffi-cient to discharge the mortgages in full. The vendors then turned to their original purchaser for payment of the balance of the purchase price, credit being given for sums realised by the mortgagees' sales.

The Court of Appeal held that since the vendors could no longer perform their obligations under the contract (since they no longer owned the properties after the mortgagees' sales) it would be wrong to compel the purchaser to pay the halance of the purchase price. But the Court went on to hold that, where an order for specific performance was no longer effective depress in light could effective, damages in lieu could be awarded. The Court did so their part of the contract. In on the ground that it was due November, 1973, when they to the purchaser's inexcusable were in arrears with the repay-ment of mortgages on their properties, the vendors entered the properties and the resulting loss to the vendors.

ison v. Agnew [1978] 2 W.L.R.

THEATRES

RACING BY DOMINIC WIGAN

National favourite Alverton may go for Gold Cup only

BOOKMAKERS WHO reacted times, but everything was all For in addition to Gay Spartan to Alverton's Greenall Whitley right at the finish." he will be saddling Silver Buck Chase success at Haydock on Alverton has always struck me in the Sun Alliance Chase, and

My guess is that connections will first take the Midsummer Night II gelding to Cheltenham for the Gold Cup and only then, according to the outcome, decide whether a trip to Aintree is piece, and may well represent by Christie's) on Gold Cup day, worth considering.

favour going for the Piper Gold Cup rather than the Colt National, should it be decided that two major tests within the space of 16 days is too much to ask of Alverton, is Jonjo another outling in public.

12-length victory over Rambling too firm to risk Gay Spartan in Artiste, the champion said: "He a £1,300 event which was at will have to jump much better the chaser's mercy, must now than that to get round Liver- be looking forward to the pool. He was a bit sticky at festival with considerable hope.

BBC 2

People. 11.00 Play School.

6.40-7.55 am Open University. 10.30 Working With Young Gir

2.15 pm Let's Go. 2.30 Shakespeare In Perspective. 3.00 That's the Way the Money

Goes. 3.30 Delia Smith's Cookery

Course.
4.00 The Education Debate. 4.50 Open University. 6.53 The Water Margin.

11.00 The Light of Experience.

9.30 am Schools Programmes.

12.00 The Wotsit from Whizz-bang. 12.10 pm Pipkins. 12.30

The Cedar Tree. 1.00 News plus FT Index. 1.20 Thames News. 1.30 About Britain. 2.00 After

Noon Plus. 3.20 Raffles. 4.20 Clapperboard. 4.45 Horse in the House. 5.15 Balman.

7.35 Mid-Evening News. 7.45 In the Post.

8.10 Lennie and Jerry.

.. LONDON

9.00 Fawliy Towers.

10.20 Arena.

House. 5.15 5.45 News.

RADIO 1

6.00 Thames At 6. 6.35 Crossroads.

11.15 Late News.

Saturday by installing Peter as a possible Gold Cup winner, the prospect of defeat for that Easterby's charge as clear given normal improvement and seven-year-old seems remote favourite for the Grand a season such as this, with the following his Embassy Chase National could well be looking likes of Midnight Court and triumph over Night Nurse.

Grand Canyon out of the reckon— At Leicester today another ing, and I shall be extremely

disappointed if we do not see

him on March 15. ach-way value. shoulders 12 st 8 lbs in the News of the 5-2 favourite for Squire Osbaldeston Hunters

One man who would clearly that race, Gay Spartan, is that Chase. arour going for the Piper Gold Tony Dickinson's King George The Haydock this morning before have no difficulty in defeating travelling down to the Cotswolds, without the benefit of

Dickinson, who considered the Commenting on his mount's ground at Hereford on Sallirday

7.30 Coronation Street.

ANGLIA

1.25 pm Anglis News. 2.00 Houseparty. 2.25 Monday Film Matines:
"The Bridel Path, starring Bill Travers and George Cole. 5.16 University Challenge. 8.00 About Anglie. 10.30 Monday Feature Film: "Kiss The Girls And Make Them Die," starring Dorothy Province. 12.25 cm Reflection.

ATV
1.20 pm ATV Newsdesk, 5.15 Give Us
A Clue. 5.00 ATV Today, 10.30 Left,
Right and Centre. 11.00 For Better
For Worse: Honeymoon and alter, 11.30
Someby Jones.

BORDER

11.20 pm Border News. 2.00 House-party. 2.25 Marines: "Who is the Black Dahlis." 5.15 University Chal-lange. 6.00 Lookersund Monday, 6.20 The Sound of ... The Settlers. 110.30 Late Film: "The Innocents," starring Deborah Kerr and Michael Redgrave. 11.55 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 2.25 Monday Matinee: Three Hats for Liss." 5.15 University Chollenge. 5.00 Channel News. 5.10 The Amezing Chan end The Chan Clan. 10.28 Channel Lats News. 110.32 Feature Film; "Oscar Wildo." 12.15 Channel Gazette Followed by News and Westher in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 5.15 University Challenge. 6.00 Grampian Today. 6.05 The Electric Theatre Show. 10.30 Reflections. 10.35 Feature Film: "The Love Ban" starring Hywel Beanett. 12.20 am Grampian Late Night Headlines.

1.20 pm Dodo. 2.25 Monday Metines:
"Escape from Bogen County." 4.10
Cartoon. 5.10 Max the 2.000-year-old
Mouse. 5.15 Crossroads. 6.00 Granads
Reports. 8.30 Happy Days. 10.30

GRANADA VIVI

7.00 The Kanny Everett Video

At Leicester today another Cheltenham candidate bids to underline his prospects— Spartan Missile, John Thorae's Alverton is still available at brilliant hunter-chaser, who goes 33-1 for Cheltenham's centre- for the Foxhunters (sponsored

The seven-year-old, unbeaten VI winner is to be worked at in two races this season, should

> LEICESTER 1.45—Sparaway 2.15—Remigio***

2.45—Spartan Missile** . 3.15—Feud 3.45—Stormbound* 4.15—Madge Spartan

Politics. †11.00 House of "Revenge of the Creature." HTV

 S.00 A Sharp Intake of Breath.
 S.30 World In Action.
 9.00 Danger UXB.
 19.00 News.

10.30 The Eamonn Andrews Show.

11.30 Thames Debate: "What Is A Torry?"

12.15 am Close: A look at West. May dien Young Handler Show at Close: A look at West. May dien Young Handler Hoop Plus.

12.15 am Close: A look at West. May dien Young Handler Hoop Plus.

12.15 by Vatghan: Williams.

All IBA Regions as London.

12.20 pm Raport West Handlines. 1.25 Report West Handlines. 1.25 The West. 8.22 Report West. 8.22 Report West. 8.22 Report West. 9.20 The Control of Contr 11.30 Thames Debate: "What Is All IBA Regions as London except at the following times:

SCOTTISH 1.25 pm News and Road and Weather.
5.15 Testime Tales. 5.20 Crossroads.
6.00 Scotland Today. 5.20 Crimedest.
6.20 Stave Jones Illustrated. 10.30
Home and School. 11.00 Late Cell.
11.05 The Derectives—McMillan. SOUTHERN

1.20 pm Southern News, 2.00 Nouseparty. 2.25 Monday Metines: "Stuation Hopeless—but not Serious," stering Alec Gunness. 5.15 Sinbad Junior. 5.20 Crossroads, 6.00 Day by Dey. 10.30 Southern News Extra. 10.38 Music In Camera. 11.08 Raffarty. 12.05 am Farm Progress.

TYNE TEES

3.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookeround. 2.25 The Love Bost. 3.20 Generation Scane. 3.35 Cartoon Time. 3.50 Little Vic. 5.15 University Challenge. 6.00 Northern Life. 11.30 Cash and Co. 12.30 am Epitogue. ULSTER

1.20 pm Lunchtime. 2.25 Keep Up With Yoga. 2.55 The Friends of Man. 4.18 Uistor News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Uister. 10.30 Compass. 11.00 Rafferty. 12.00 Bedtime. WESTWARD

12-27 pm Gus Honeybun's Birthdays.
1.20 Westward News Headlines. 2.25 Monday Matines: "Three Hasts For Liss," starring Sld James. 5.15 University Chollenge, 6.00 Westward Diary and Sports Desk. 10.28 Westward Late News. †10.30 Feature Film: "Oecer Wride," starring Robert Morley.
12.15 am Faith for Life. 12.20 West Country Weather. Shipping Forecast. YORKSHIRE

1.20 pm Calendar News. 2.25 Monday Matmee: "Virgin Island," starring John Cassavetes and Virginia Maskell. 4.10 Cartoon Time. 5.15 University Challenge. 8.00 Calendar (Emley Moor and Belmont, adutons). 11.20 Police Surgeon.

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There are no performances at the Loadon Colliscom between March 5 and April 2.
The box office is open 10-3 Monday to Seturday and booking is now open for all April performances. English National Opera is on tour and returns to tals theatre on April 4. MAYFAIR. 428 3036, 483 2031 (Green Fark Tube), Mon.-Fri. 8.00, 5ac. 8 15 and 8.45, Praview 13th red, prices 14th 7.30. TONY SELBY, DAVID DIXON BY TON Kempuski Directed by Amon Rodgers, "A tense yet comic drama," How would you have reactural."

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TYPHING STAMPARD AWARD
Group bookings 01-437 3858.

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CAMBRIDGE 01-835 6056, 6.0, B.O. also open Sundays, Credit Cards 01-835 7040.

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BEST COMEDY OF THE YEAR Evening Standard Drama Awards wenting suick-witted farce on how to become a legal immigrant in one casy weedings. Observer THE YEARS. Financial Tunday FOR YEARS. Financial Tunday FOR YEARS. Financial Tunday FOR Sac. 3.00, Mars. Wed. 20d Sac. 3.00.

DRURY LANE CC. 91-336 3108. Mon.-Sac. 3.00. Mars. Wed. 20d Sac. 3.00.

"A Para. development of the Commission of the Commi

DUCHESS. 836 8243 Mon. to Thurs. Events. 8.00. Fri. and Sat. 5.30 and 8.15. ONI CALCUTTA:
"The nudity is storming." Daily Tel. Winth Sessational Year.

Ninth Sensitional Year.

DURE OF YORK'S. CC. 01-836 5122.

Evenings 8.00 pm Mats. Thurs. 3.00 pm.

Sats. S.30, 8.30.

TOM FELICITY

COURTENAY KENDAL

CLOUDS

"IS BLISS." Observer.

"MICHAEL FRAYN'S FUNNIEST PLAY."

Daily Telegraph.

FORTUNE. 836 2238. Eves. 8.00. Thurs.

3.00. Sepurary S.00 and 8.00.

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GARRICK. CC. 01-835 4601. Evs. 8.00.

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Evenings 8.9, Mat. Sal 2.30. LEONARD
ROSSITER IR SEMI-DETACHED. Yery
funny." D. Tel.

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Prevs from May 12 Evgs. 8.0. Wed. 2.30
Opens Mar. 15 at 7.0. 3ubs. 8.0. Wed.
KEITH SUSAN
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MONDAY to Thurkdy 9.00.
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THE ROCKY HOBROR SHOW
DON'T DREAM IT. SEE IT
LAST FOUR WEEKS

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KING'S HEAD, 226 1916. Dinner 7.30.
Show 8.30. THE EFFINGHAM CAMP by
Joe Ortan. "Full of comic Invention."
FIA. TIMES, LAST WEEK.

LYRIC THEATRE. CC. 01-437 3586.
EVS. 8.00 Thurs. 1.00. 521. 5.00. 8.30.
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JEFORD FALUMENA FILAY

DIrected by FRANCO ZEFFIRELI
SOCIETY of Week End Theatres Award
COMEDY OF THE YEAR
"TOTAL TRIUMPH," EVS. News. "AN
SYENT TO TREASURE." D. Mir. "MAY
IT FILL THE LYRIC FOR A HUNDRED
YEARS." SURGAY TIMES.

THEATRES

VAUDEVILLE. 01-336 9968. Until \$ac.
A Return to the West End for
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EVEL 3.00 Mars. Wed. and \$at. 2.46.
MARGARET RAWLINGS IN
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Directed by Jacon Lindbern,
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OPENS MARCH 15 21 2.00 pm.
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JEAN RENT "AS MISS MERPIO
A MURDER IS AMMOUNCED.

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VICTORIA FALACE. CC. 01-828 4738-8. VICTORIA PALACE, CC. 01-826 4735-8.
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Evgs 7.30, Math. Wed. 3nd Sat. 2.45.
SHILA HANCOCK

"BLOCKBUSTING SMASH-HIT MUSICAL." Daily Mail.
Evgs. 7.30 Mats. Wed. 3nd Sat. 2.45.
Stand. Drains & Plays & Players Awards.
Stand. Drains & Plays & Players Awards.
WARKHOUSE. Dommer The Player Comment OLD VIC. 01-928 7616. Young Vic Co. In Shakaspeare Season directed by Michael Boodadev, Tont 7.30 HAMLET, Tomp 7 THE TEMPLET, Wed 7.30 RICHARD III OPEN SPACE. 187 6969. Tues. to Sun. 8.
RKIMSTONE AND TREACLE, by Donnis
Fetter. "Deeply fascinating." Guardian.
"Irrepressible humour." Std. Must end
Mar 18. From Mar 20 Meving Being in
"Vedes in Furs."

Stand, Drama & Mays & Mayers Awards, WAREHOUSE, Donmar Theatre, Covert Garden. Box Once 818 8508. Royal Stakespeare Co. Ton't Tomor, Fr. 5st 8.00 Final perts David Edgar's THE JAIL DIARY OF ALBIE SACKS. "Thrilling Status," Ggs. Ai seats 21.80. Student standby 51.00, Adv. blogs Aldwick. WHITEHALL, CC. 01-930 8592-7765. Monday to Thurs. 8 00. Methicss Proand Settle 19 Tomal 8.48.

The Aircan Maxical Employed A substring riot of Dance and Sens. FOURTH CREAT YEAR.

WYNDRAMS. From 8.50 Am. 01-516 PALACE CC.
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PALACE CC.
PAGN-Thur. B.00. Fri, and Sat. 6.00. 8.40
PALLADIUM. B.00. Fri, and Sat. 6.00. 8.40
Py Tim Rice. and Andrew Lloyd-Webber
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TYPE. 7.20. Wals. Tum. Wool, Set at 145.

DANNY Widow Twenkie in

ALPRID MARKS, 28. ABANAZAR

Dilys WATLING, Brass MARSHALL,

and WAYNE SLEEP. "One of the bestdressed and (singlest partos to be staged
at the Palladium for years." D. Mir.

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MUST END MAR. 24. MUST END MAR. 24.

PICCADILLY. From 8.10 am. 437 4506.
Credit Card bookings 816 7071.

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A WIGHT WITH

BIRD BARME DONA
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BOOK BARME SONA
BEASON MUST END AFL 28. New acts, new production.

YOUNG VIC. 228 6363, Eves 7.45 of Mar. 17 Oxford Playhouse Co in Nigel Williams; controversial play Class Statum, 1878 Plays 2 Players Raywright of the Year, (See under Old Vic.).

SEASON MUST END APL 28.

PRINCE EDWARD. CC. 01-437 E577.

Evanings 8:00. Mgt. Thurs., Sac. 3:00.

by Tim Rice and Andrew Llovo-Webber.

Directed by Herold Prince.

PRINCE OF WALES. 01-930 8681. Credit card bookings 930 0848. Mon. to Thurs. 8:00. Priezre and \$4. 60 and 8.45. 40.

ALAN AYCKBOURN'S practi-hit comedy EEDROOM FARCE.

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FORMAN OF THE YEAR.

A DREAM OF AND SHOW." E. News.

BY PETE TOWNSHEND and THE WHO

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Ev. News.

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FLAY OF THE YEAR

by Brian Clarke "A momentous play. I urse you to see I." Gda. Evs. 8.00. Sat. 5.42 and 8.25. Net. price mats. Wed. I.

STRANDR-01-38 2650. Evenings 8.00.

Mats. Thurs. J. Sats 3.30 and 8.30.

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OVER 3.600 PERFORMANCES

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Evgs. 8.00 Marineen Tues. 2.45. Sats.
S.00 and 8.00.
AGATHA CHRISTIE'S
THE MOUSETRAP
WORLD'S LONGEST-EVER RUN
27th YEAR. 27th YEAR.

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7.55.
2. Agatha Christie's DEATH ON THE NILE (A), Progs. 2.30, 5.25. 8.10. Late show Sat. 10 40.
4. THE DEER HUNTER (X). Sop. Perfs. Daily 1.250, 4.05. 7.40. Late show Sat. 11.29. Seats Benkable. THEATRE UPSTAIRS. 730 2554.
REHEARSED READINGS B. 9. 10 March
7.30. Ring for details.

ABC 1 and 2. Shaffesbury Ave. 236 8851, hep. peris. All tests Bookable. 1. THE DEER HUNTER UN. Wk and Sun. 2.15 7.30, 2.2 SUPERMAN (A). Wk. and Sun. 2.00, 8.00 July 2.16. 8.00 and 8.10. Wk. and Sun. 2.00.

CAMDEN FLAZA (Opp. Camden Town Tube). 435 2443. Ochima's Empires of PASSION (Xt. Progs. 2.25, 4.30, 6.45, 8.10. 8th week.

CLASSIC 1, 2, 3, Haymarket. (Ficcadilly Circus Tube). Out. 1 Ames Brotin. CAPRICAL CORN ONE CAL. Cont. from 1 pm. 2. THE MILLS HAVE SYES (CV. Peter 1.15 pm. 3. Jacquellog Blast. Gaprae Services MANY Comm. CLASSIC 1. 2. 3. 4, Oxford Street. 638 0370 (Opp. Tottenham Court Rd. Tube). 1: DAMIEN-OMEN (I (X). Cont. from 11 DAMIEN-OMEN II (K), Cont. from
11.15 pm.
22 LAST 3 DAYS! THE HILLE HAVE
THE CONT PETER BRICKOPTE MR. BMITH
12. THE CONT PO PETER BLACKSMITH CO. Cont. from 1.5 pm.
4: LAST 3 DAYS! Climt Eastwood EVERY
WHICH WAY BUIL LOGSE (AA), Cont.
from 1.20 pm.
1.20 pm.
1.30 pm.
1.30 THE HILLS HAVE EVES (K), Peter
1.250 pm.
1.250 pm.

12.50 pm.
CURZON, Curzon Street, W 1. 498 3737.
ISABELLE HUPPERT
VIOLET ENGETTE (X).
(English subtitle). Showing at 1.15 (not Sun.) 3.40. 6.05 and 8.30 Sun.1 3.40. 6.05 and 8.30

LEICESTER SQUARE THEATRE (930 5252).
THE PASSAGE (X). Sep props Wks 1.15.
4.45. 8.15. All seats bkble in advance at Box Office or by post for 8.15 prop Mon-Frt.

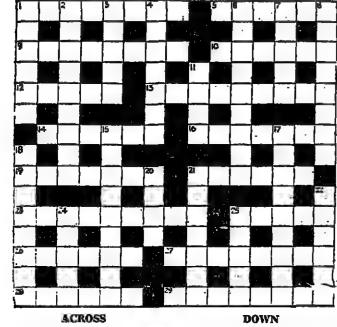
OPEON NAYMARKET 1930 2736-2771).
MAGGIC (X) Sop perfs Wks 2.15. 5.15.
B.15. All seats bkble at Box Office or by post. DOSON LEICESTER SQUARE (930 6111).
ASHANTI (AA): Sep prog. Div. doors
open 1.45, 4.45, 7.45. All seats bible
at Box Office or by post. From March 20.
Neil Simon's CALIFORNIA SUITE (AAI.
All seats bible at Box Office or by post.
BOX OFFICE NOW OPEN. ODSON MARBLE ARCH W2 (723 2011-2)
DAMIEN-OMEN III CO. Sec. progs. W.I.
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IN PRAISE OF OLDER WOMEN CV.
SCD. peris. dily. (m.g. shown) 12.40, 3.10.
5.55. 8.35. Late shown) 12.40, 3.10.
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1. An all-star Cast in Robert Altman's A WEDDING (AA). Progs. 2.20, 5.10.
7.55.

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he is out (4.2) 16 The late reformation of a 11 The Titans' stepping-stone runner (7)

durance (4,5) 26 Muse of Comedy (6)

25 Caveat emptor is a warning mover (8) 28 Rushes for the longer

1 Repartee from a fruit- 1 Give satisfaction with quiet grower (4-1) tenure (6)
5 is earth a refuge for pedes- 2 This country has nearly trians: (6)
9 See among ancient Jews the
2 Strained Poles in the drivmost important qualities (8) 10 An explosive statement (6) ing area (5) First Division (7)

The solution of last Saturday's prize puzzle will be published

with names of wioners next Saturday.

6 The SS appears at length 7 In a measure actively engaged (5) 8 Somehow tend much to be found in Holland (S) to Olympus (4)

cludes three successive notes in detachment (8)

21 Base information (3-4) day to finish (6) 24 The sailor abroad takes the lead (5) 25 Graduate takes the dip (5)

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.

2.18-2.38 For Schools. 4.40 Crystal Tipps and Alistair (Cartoon). 4.45-5.00 Y Trem Sgreeb.
5.55-6.30 Wales Today. 6.50-7.20 Heddiw, 11.55 News and Weather Northern Ireland — 3.53-3.55 pm Northern Ireland News. 5.55 Scene Around Six. 6.20-6.50 Helio Sunshine. 11.55 News and Weather for Northern Ireland.

Prime of Miss Jean Brodic starring Maggle England-5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcistle); Midlands Today (Birmingham); Points West (Bristol): South Today (Southampton): Spotlight

6.50 A. Question of Sport. 7.20 The Rockford Files. 8.10 Panorama: Karen Silkwood—Deceased. 9.00 News. 9.00 News, 9.25 The Monday Film: *The Prime of Miss_Jean

Smith. 11.15 Tonight. 11.53 Weather/Regional News. All Regions 25 BBC 1 except at

(Citra high frequency only). 9.13 For Schools, Colleges. 10.45 You and Mc. 11.00 For Schools, Col-leges. 12.43 pm News. 1.80 Pobble Mill. 1.45 Barnaby. 2.01 Scotland-10.00-10.20 am For South West (Plymouth). Schools, 5.55-6.20 pm Reporting Scotland, 11.55 News and Weather for Scotland. Wales-1.45-2.00 pm Pila Pala.

F.T. CROSSWORD PUZZLE No. 3,913

12 You have a good time on the 13 Trial marriage may be contested down under (4,5)
14 No stoppage at soccer but if a batsman should do it,

19 The bird starts to fight and 15 County accompaniment for ends in a quarrel (7) the Beef-eater (9)
21 "There met hum ten men 17 The lark possibly that gets that were — " (N.T.) (6) 20 (5,4) 23 Back-breaking limit of en- 18 Intelligence Department in-

27 Wrong river for a slow 22 Intimate acquaintance has a 29 Meant for the fiancee (S)

4 Always has weight in the

20 See 17 .

(S) Stereophonic broadcast

Theorem: wave

5.00 am As Radio 2 6.00 Dave Lee
Travis. 9.00 Smon Bates. 11.31 Paul
Burnett. 2.00 pm Mike Read. 4.31 Kid
Jensen. 7.00 Stayin' Alive. 8.00 Andy
Paebles. 9.50 Newsbeat. 10.00 John
Peel (S). 12.00-5.00 am: As Radio 2. RADIO 2

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (\$), 7.32 Terry Wogan (\$) including 5.27 Racing Bulletin and 8.45 Pause for Thought. 70.03 Jimmy Young (\$1, 12.16 pm Wagganors' Vizik. 12.30 Harry Rowell's Open House (\$). 2.30 David Hamilton (\$). 4.30 Wagganors' Walk. 4.45 Sports Deak. 4.47 John Dunn (\$). 6.45 Sports Deak. 7.02 Music from the Movies (\$). 7.30 Atan Dell: 7.30 The Dance Band Days 8.02 The National Rehearsel Band Compettuen (\$). 9.02 Humphrey Lytteltan with The Best of Jazz in records (\$). 9.55 Sports Deak. 10.02 The Moviday Movie Quiz. 10.30 Star Sound 11.02 Brian Matthew introduces Round Midnight including 12.00 News. 2.02-5.00 am You And The Night And The Music with Lan Jackeon (\$). reluding 8.27 Racing Bulletin and 8.45
Pause for Thought, 10.03 Jimmy Young
(S), 12.15 pm Wagganors' Vialk, 12.30
Harry Rowell's Open House (S), 2.30
Devid Hamilton (S), 4.39 Wagganors'
Walk, 4.45 Sports Dask, 4.47 John
Dunn (S), 6.45 Sports Dask, 7.02
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Reports. 8-30 Happy Days. 10.30 Surgeon.

2. Tchunkovsky. 1.00 News. 1006 BBC Lunchtime Concert (\$). 2.00 Organ and Harpsichord recital (\$). 2.25 Martinee Musicale (\$). 3.25 New Records (\$). 4.55 Bandstand (\$). 5.25 Homeward Bound (\$). \$45.8 News. \$5.50 Homeward Bound (continued). \$5.15 At Home: Piano recital. 7.10 St. David's Music Week 1979 concert, part 1: Vaughan Williams. Hughes (\$). 7.55 Mrs. Cameron's First Photograph (talk by Collin Ford). 8.15 Concert. part 2: Daniel Jones (\$) 9.30 The National Voice (Poetry in Wales) 10 15 Archle Camdon bassoon recital. 10.40 The Lied Before Schubert. 11.25 Jazz in Britain: Ray Worleigh Quartet (\$). 11.55-12.00 News. 7.10 pm. Open University. RADIO 4

2 RADIO 4

2 RADIO 4

5.00 am As Radio 2. 6.30 Rt. 2.00 Londoners. 3.30 Breakthroug Late Night London. 12.00 As 12.05 Question Time from the Radio

5.00 PM: News magazine. 5.50 Shipping loracest. 5.55 Weather; programme news. 6.00 News. 6.30 Tell Me Where it Hurts (5). 7.00 News. 7.05 The Archers. 7.20 From Our Own Correspondent. 7.45 The Monday Play (5). 9.00 Lubavith: The Man Who Stayed To Talk (The Modern Jewish movement). 9.30 Kaleidoscoper. 9.59 Wasther. 10.00 The World Tonight. 10.30 Perspective. 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Todey in Parliament. 12.00 News.

Insurance Broking

All sectors of the insurance industry are experiencing pressures which oblige them to adjust their attitudes and operations in order to maintain progress. Nowhere are these pressures more evident than in the insurance broking community, as this survey of its worldwide involvement demonstrates.

THE UK insurance broking agent of an insurance company industry is undergoing consider. can and does do an adequate able changes in its methods of job in arranging insurances for its business for centuries without any supervision or control from central authority, it is facing control by registration, Brokers are, for the first time, ance a vital element in placing the world under current market conditions, with reinsurance a vital element in placing the world under current market conditions, with reinsurance a vital element in placing the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions, with reinsurance and the world under current market conditions. going to have to operate under a set of rules laid down by statute rather than by a professional body.

At the other end of the spec-trum, the major UK brokers, after decades of dominating the world insurance markets, are now in the process of linking up with their U.S. counterparts in order to maintain their position. Cost pressures are hitting all sectors of the industry, but the medium-sized broker seems to have the biggest problems in coping with such pressures.

Insurance is becoming more complex in its operations on all types of risk. It is the era of the complex jumbo size cover requirement that needs a intermediary handle. At the consumer end. the modern life and household insurance scene has become somewhat confused for the layintermediary are becoming necessary if the consumer is to get the right save a majority of membership

service, primarily because he is eye of independent of the insurer. The Trade.

After going about all types of consumer - both individual and corporate, But that risk. The broker is much better placed to arange all this. Above all, he can represent his clients' interests in dealing with

> This is an ideal situation and though many brokers have endeavoured to act independently and on behalf of their clients, this is not a perfect Some brokers have not put clients first nor have they maintained independence from insurers, especially where the public are concerned. Hence the demand for control by central authority on the insurance broking industry. This is the

age of consumer protection. The brokers were, however, given the opportunity of playing a leading part in this control—a role which most of them accepted with alacrity and enthusiasm. The system of control was formalised with the of the Instuance (Registration) Act Brokers 1977, which sets out the framework of control. The brokers on the various councils which will administer the Act, this vital role to play in providing giving self-regulation to the this specialist intermediary industry, but under the watchful eye of the Secretary of State for

ence, competence, honesty and individual using a different brokers, to whom registration is

Under the Act, all persons unless they are registered, they wishing to trade as insurance will not be allowed to trade under the title of insurance

latory system of licensing brokers, with the likelihood that such a system this, they must demonstrate broker or similar name. There rigid and lacking in flexibility, that they have sufficient experision othing in the Act to stop the But the major UK insurance

expand was overseas

The result of these factors was sizing up the takeover oppor-tunities of the UK brokers. Since then the talks have been

Change sets the tempo

By Eric Short

stability and conform to normal business discipline.

Not only is this system of control, designed to stop the slick operator out to make a killing at the expense of the public. It is also intended to the individual who, although honest, is operating on a shoestring and thus for financial reasons is unable to give a complete service to the client. For example, he would be under pressure to research the life market thoroughly.

It must be emphasised that

integrity. A firm trading as name and already there is an a minor administration task, on methods of link-up which insurance brokers, whatever its active Institute of Insurance have much more pressing prob- will satisfy the requirements of Consultants established by lems on their desk at present, insurance intermediaries who The tie-ups that are taking do not wish to be bound by the provisions of the Act. Incidentally, the title of insurance consultant conveys a much better image to the public than insurance broker.

> this system of self-regulation successfully if the Registration Council which administers the Act is prepared to act in the interest over proven complaints from the public. If the system is not seen to be

The tie-ups that are taking place between them and U.S. brokers point to a shake-up in their present methods of operation and more interesting developments for their future.

This saga starts with the Only time will tell whether success achieved by the major brokers in the years 1975-77 because of the lack of capacity North insurance market. Much North American business came to London and thence to other world insurance centres and these broking firms did well. The US no one will be barred from sell-working, then the Government brokers had just about reached ing insurance once this Act has no alternative but to maximum size in their own becomes fully operative. But establish its own official regu- country and the only way to

will satisfy the requirements of the Committee of Lloyd's. The exact form of the link-up is still not determined but presumably it will be some form of pooling arrangement either on the Unilever or the Royal Dutch-Shell pattern.

But there is going to be a period of uncertainty while the new arrangements are sorted Already the UK brokers are seeing some large accounts moved round in accordance with the new loyalties. But it could be several years before the dust settles and the benefits of the link-ups emerge. But there could well be some stimulus to further expansion by this development, especially in the North

All sections of the insurance cost pressures on the operations. The large multinational broker has been able to absorb these costs from the good years of 1975-77 and should stand to benefit once the world economy starts to move ahead again.

The very small broker operating on a man-and-boy principle (the boy is often his wife) can manage to get by with expanding the existing account and working that much harder. But the medium-sized broking firm operating mainly in the UK but with some overseas operations has problems.

The insurance market in the UK remains static with the enough staff to service his existing business at an adequate level. There are too many competitors ready to take over his clients. The growth of technology means that insurance risks, even for local factories, become more complex and need expert attention. Possibly one solution to this problem is local mergers of broking firms.

One particular factor affecting the small and medium broker is life and pensions field. growth of linked life business now makes life assurance an important tool in tax planning. Life assurance is now becoming the province of the planner and little broking expertise as such rely more and more on the within Europe.

expertise back-up provided by broking industry have been hit the life companies - not very conducive to demonstrating independence.

> Pensions have now become the most efficient fringe benefit for company executives. small provincial broker is not necessarily equipped to deal with this side of the business, yet is reluctant to call in a larger more experienced broker.

> surance Brokers' Association is very much aware of these problems and endeavouring to do something about them. body, formed from the four previous associations which represented brokers, sees its more important functions. Its activities are described in detail ensure that its members have the necessary access to changes members reasonably abreast of developments without employing a large research staff.

played a leading part in the harmonisation of services within the EEC. Now of considerable their beginning to produce results. The leading always very enthusiastic about always considered that there was enormous scope for brokers. Their ideal has always been for is needed. The broker has to their members to operate freely

Registration*simply means that all Insurance Brokers will do what good Insurance Brokers have always done.

They will offer unbiased, professional, well-informed advice to all their clients. They will produce annual accounts showing sufficient financial strength for the amount of business they conduct.

They will hold professional indemnity insurance against the consequences of errors and omissions.

Once registration is complete, all who call themselves Insurance Brokers will have to do these things, by law.

The British Insurance Brokers' Association, on behalf of our membership of over 4,000 Insurance Broking companies, welcomes this new state of affairs.

It means that client companies can rely more completely than ever on the advice and service of British Insurance Brokers, whose function it is to ensure that our clients buy the right insurance, at competitive rates.

Good Insurance Brokers have always done that. The job has not changed. Use a B.I.B.A. Insurance Broker.

> The British Insurance Brokers' Association. Fountain House, 130 Fenchurch Street, London EC3M5DJ. Tel: 01-623 9043 Chairman: Francis Perkins CRE, D.S.C. Secretary: Alan Teale مرادية Secretary: Alan Teale



*Registration under the Insurance Brokers (Registration) Act 1977 began on November 1st, 1978.

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THEATRES

Regulatory framework emerging

THE PROCEDURES for putting the insurance broking profession on a self-regulating basis grind slowly on. Now, nearly two years after the Insurance to know that they can rely on tions—the only universal insur Brokers (Registration) Act the broker being competent, ance examinations in the UK. 1977 became law, the frame—honest, independent of an This requirement is no work of the supervisory control and the requirements of the profession are emerging. Considering the important issues involved, it perhaps has been involved it perhaps has been involved. 1977 became law, the frame-honest, independent of an work of the supervisory control insurer, financially stable and involved, it perhaps has been panying regulations try to wise that the council has made achieve just this.

haste slowly.

For too long, the insurance broking profession has suffered from a lack of supervision. Anyone could set up as a broker with no check on his qualifications, expertise, financial standing and, above all, his integrity.

The Act formulates the establishment of an Insurance Brokers Registration Council to administer the procedures of registration; It consists of 17 members of whom 12 are appointed by insurance brokers and five by the Secretary of The attempts to present brokers as the independent professional insurance intermediaries never rang fully true while this situa-

The Act, once it becomes a watching brief.

Tully operative, will change all this. No one will be allowed to competent, they have to have call themselves an insurance either five years' practical broker anless they have experience or three years' registered as such. And to experience and the appropriate achieve registration, the person examination qualification. The concerned will have to have definition of practical experi-attained proper standards of ence is fairly widespread, education and experience, con-including allowance for insurform to financial disciplines, and ance company sales training and operate under a stringent code direct sales experience, besides

ings with firms trading as Associate level of the Chartered insurance brokers. People need Insurance Institute examina-

and five by the Secretary of State for Trade. This conforms to the objective of the Act that the profession should regulate itself, but the DoT is keeping

work in an insurance broking tained for clients' money."

to know that they can rely on tions-the only universal insur-

This requirement is not university graduate to sell insurance: there is no substitute for experience in this field of

Detail

The financial requirements for running an insurance broking operation have not yet been published. This is possibly the most difficult regulation to draw up and obviously the accountancy, banking and insur-ance broking bodies have to be consulted on detail. The aim is to ensure financial discipline in the running of the business to ensure that there is an adequate capital base and that the operations are profitable. In the past, some brokers have used clients' fore have never had to carry money as working capital, a professional indemnity insur-practice fraught with danger.

longer will brokers be able to run on a shoestring, tempted to firms operate on very slim margins while building up their margins while building up their them the highest commission rather than what is best for their client.

But what happens if the broker makes a mistake that results in financial loss to his client? In law, he is liable to be sued for professional negli-gence and the Act insists that what is happening to the client he should be able to meet the cost of any damages awards by means of professional indemnity insurance. The regulations on this point are still awaited but the expected amount of insurance is three times the annual brokerage with a minimum of £250,000. This minimum figure should apply to most small broking

This requirement has caused some anxiety among the smaller firms of brokers which have never belonged to any profes-sional broking body and there-fore have never had to carry

onerous or stringent. But no a year, which may not sound business and such additional costs may be unbearable. Such brokers state that they do not make mistakes and if they do then they are prepared to face

the consequences. This argument to be allowed to function unless he can fully cover the consequences of any mistake.

This requirement is likely to cause the Registration Council considerable problems. An insurance broker who specialises in the field of pro-fessional indemnity states that in his experience it is extremely difficult to get such small brokers to keep up their premiums and only the threat of legal action will make them pay.

Damages

But it is salutory to recall that the largest professional advertisements. And he has to indemnity claim in insurance disclose what commission he is Other professions insist that a separate account has to be main-tained for clients' money.

The cost of this cover is indemnity claim in insurance disclose what commission he is separate account has to be main-tained for clients' money.

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The cost of this cover is indemnity claim in insurance disclose what commission he is separate account has to be main-tained for clients' money.

significant that most claims arise over motor insurance, a tricky area for even the experi-

As a safety net for the con-

sumer in the event of a broker running into financial trouble, the Act provides for a rescue fund to be financed by a levy on all registered brokers. The council has the power to raise what is happening to the client at least £1m in any one year.

let down. No professional ought Finally, how does the Act Finally, how does the Act ensure that a broker is honest and independent? It does this by means of a code of conduct which the broker agrees to abide by. It is rather like the Mosaic Code with three main commandments, 19 subsidiary ones and an open-ended liability, since

> A full discussion of the code would need a separate article. But essentially, the broker has to be honest and impartial in his advice, putting the client's interests first and foremost. He is not to make any misleading statements or claims in his

This last point will need careful investigation by the council.
Some insurance companies, particularly life have gone out of their way to secure business by offering inducements that broker to them. One method is by providing accommodation at cheap rents plus stationery and secretarial facilities—a boon for the small broker. But a broker should be seen to be independent at all times and the council needs to ensure that

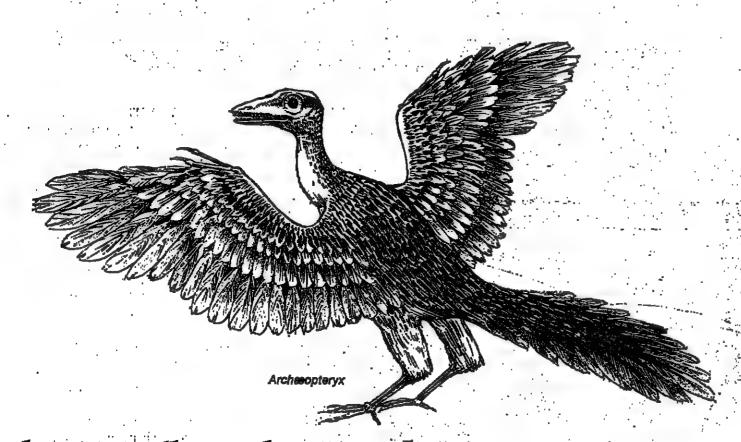
Sanction

The only real deterrent against unprofessional conduct the legislators found that it is is disciplinary measures if a complaint is proven and the Act sets out the procedures for investigating complaints and taking disciplinary action. There is, first, a committee to handle complaints, and then another to see if the complaint is the strating and unprefersional. is disciplinary measures if a impossible to codify integrity. is justified and unprofessional conduct proved. This second committee has the power to discipline the broker, including the ultimate sanction of withdrawal of registration. This under the terms of the Act means the person involved cannet continue trading under the committee of Lloyds. not continue trading under the title of insurance broker.

The aim of this move is to operation. The examination It is not anticipated that the in the market shows that the damages exceeding £100,000 must demonstrate that he is not The majority of each comprotect the public in their deal- qualification is at least the financial provisions will be too minimum cost would be £850 were awarded. It is perhaps tied to any one insurer. sumer will not get a fair hearing. But on the other hand, in complicated cases a specialised knowledge of broking is essential to understand whether another broker has acted unpro-fessionally. We will be able to tell whether the system works

only when it is seen in action. The actual registration will be in two parts: an individual register to which individuals may apply whether or not they may apply whether or not they are actively engaged in broking, and a second list for people, partnerships or firms actively trading. A firm may register only if the majority of the hoard are registered as individuals and a partnership only if all partners are registered. if all partners are registered.

The individual register was individual registration is £25 initially and them £15 a year. The trading register will be opened as soon as the necessary



'The most flourishing or dominant species... ... yield the greatest number of varieties... Charles Darwin, The Origin of Species', 1859

The birds we see today have come a long way from their primitive forebears. Motivated by changes in climate, habitat and diet, they have developed their present appearance and behaviour.

Man has shown himself just as capable of adapting himself to changing circumstance.

> In the world of business, for example, his affairs have become increasingly complex and far-reaching, resulting in worldwide enterprise of almost inconceivable variety.

> > Yet no business can progress and develop without a measure of security - security provided largely by insurance.

At Hogg Robinson, we know that business and insurance must evolve together.

So we not only meet the present requirements of our clients - we also anticipate their future needs, which demands the creation of a great variety of original policies.

It looks, doesn't it, as if Darwin was right?

Crowned Crane

Hogg Robinson Group Ltd.,

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ROBINSON Creative insurance has our name on the cover.



Pensions field has much to offer

DESPITE STAGGERING sales mission of only 3 per cent of growth in the last few years, each premium in the case of pensions have nowhere near a single premium plan. The

low commission made them arrangement unprofitable to sell. Top hat Sales of top hat pensions were scarcely heard of arrangements are now a mainsions for controlling directors to be funded on the same basis as those of ordinary employees. The changes needed in company employers to contract out of the State's new earnings-related pension arrangements created a flurry of activity for bigger brokers in the years leading up to April 1978 — but even here the task is far from completed.

the task is far from completed. In a generally buoyant year for most life companies in 1978, self-employed pensions were among the fastest sellers. New annual premiums soared by 39 per cent to a record £83.6m and single premiums were up 22 per

cent at £66m.
Yet a recent analysis indicates that brokers have barely scratched the surface. The analysis, for 1977 (the last year for which we have complete figures), showed that the pen-sion contributions of Britain's 1m self-employed represented only a quarter of the maximum they could have contributed under the tax rules.

Their contributions came to £198m; that compares with the Inland Revenue's estimate of their total earnings of about £5.5bn. of which 15 per cent— £825m—could have been con-tributed to a pension plan.

The case for the self-employed channelling as much as possible of their savings into pension arrangements is overwhelming. Not only are contributions able in full as a deduction from taxable income but the money is invested in a fund that builds up almost completely free of tax. At the end about a quarter of the cash accumulated for the saver can be taken as a tax-free sum (the exact proportion depends on his age at retirement); the rest comes as an income on which no invest-ment surcharge is levied.

Rival.

easily beats most alternative forms of saving - including endowment policies, which are probably the nearest rival. One of the problems of selling pension plans is that the variety that best suits many savers —

single premium plans — are a poor commission earner. Many self-employed people are rightly reluctant to contribute towards a regular premium pension plan because not only do they not know for sure that they will be self-employed all their lives but they do not know whether they will be able to keep up the premiums each year.

The initial commission on a regular premium plan represents half the yearly premiums and it is paid over the first two years; that compares with com-

realised their full potential as size of the front-end loading on a money-spinner for insurance annual premium plans means that the penalty for early droposes.

Self-employed pensions, for other is usually very large and the pensions of the most brokers the area of the much lower than they could greatest experience with, were neglected until recently because

before a change in the law in stay of many insurance brokers' business. the leaders in the field, reckons that they now account for 15 per cent of its individual business

The case for providing executives with special arrangements benefit for high carners. The point is that Inland Revenue . remain two-thirds pensions for people with as little as ten years' Normally envone with only ten years' service would be in line even in a good scheme so the scope for an employer to spend money improving the pensions

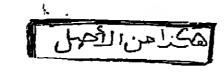
Even where an executive is already in line for a two-thirds pension, employers have considerable scope for improvements—by, for instance, funding to give regular increases in retirement to maintain the pensioner's purchasing power in the

face of the rising cost-of-living.
Many top brokers and pension consultants are earning considerable fees giving continuing tracted out of the State earnings-related scheme. Firms like Lowdnes and Godwins, for instance, have found a growing counselling "members on their finances and helping them choose from the various pensions options op to them such as whether they

Another area which is offer ing great scope for enterprising brokers is providing additional voluntary contributions arrange ments for company scheme Some companies have always It adds up to a package that given late entrants to their schemes the chance to buy a full pension with extra contributions but it is only recently that the value of such arrange ments has come home to many potential beneficiaries

Even for people with full service, there is usually scope for additional contributions; often, for instance, the pension they are in line for will represent at best two-thirds of their basic pay whereas the Inland Revenue will allow up to two thirds of full pay including bonuses, overtime, commission and other extras. Relatively few schemes fund for significant so there is scope for full service members to buy increases with voluntary contributions.

Eamonn Fingleton



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Efficiency the educational aim

"OUR MAJOR aim is raising standards." declared Mrs. Andrea Bondi, the assistant secretary in charge of education and training at the British Insurance Brokers' Association. She evidently felt that no further explanation was necessary. To an experienced observer

of education, however, talk of raising standards tends to pose more questions than it answers. For instance, in the rush which has raised total spending on most professional bodies would claim to have raised their standards. What they usually mean is that they now require youngsters to have a higher level of educational certificates before admitting before admitting them as students for the professional

But it is far from certain that given grade of pass or class of a profession's standards, in degree varies from one examinterms of the efficacy of the service it supplies to its clients, will be improved by gearing its initial entry and membership examinations to a higher grade of academic attainment as measured by educational criteria such as the Ordinary and Advanced levels of GCE, or even by university degrees.

The trouble with stipulating and biology. education and training in the that entrants must generally UK to more than £10hn a year. have at least two A level passes. which is now the practice of many professional bodies, including the Chartered Insur-ance Institute, is that "two A levels," like "five O levels" or The difficulty of achieving a

ing board to another or from University to university; it also so between subjects. Attain- cal effectiveness, ment of a single A level pass in a difficult subject such as physics, for example, may well have demanded a better academic performance than the achievement of two in easier topics such as English literature

As well as making initial admission more and more dependent on the "funny money" of the education system, professional bodies have tended increasingly to hive off the training of student members to so much the product of careful "an honours degree," do not educational institutions. The represent any constant stan-result need not necessarily be dard even of academic ability. that the job of a professional months, the association has And although the CII is run-body is to pick out and concen-been able to determine its ping programmes on motor and body is to pick out and concen-trate on educational methods which can be adapted for the practical teaching of the pro-fessional skills. But in the pro-infectious enthusiasm for educacess of hiving off training to the tion and training, even if only fully set up so that they are academic system there is surely "for their own sake," which held in regions which aren't academic system there is surely an inevitable tendency instead to pick out and concentrate on those professional skills which can be adapted for theoretical

stitutions call "raising standards" has no doubt enhanced their academic esteem, it cannot be relied upon to have varies over time, and even more increased their members' practi-

Encouraging

So it seems encouraging as well as unusual that the British Insurance Brokers' Association should be evidently less con-cerned to dignify the activities of its 4,100 member-companies with academic respectability than to enable their 55,000 staff to improve their services to the

thought as the result of circum-Having been fully formed for little more than 14 education and training policy afflicted so many comparable really catered for by the instibodies through most of the tute's courses, and on dates 1960s and in the earlier years which don't clash. of the present decade.

tion has little if any excuse for nately there's a special liaison allowing academic pride to dis- committee to co-ordinate retract it from the mundane job of providing education and together companies and brokers training suited to the pockets and looks at the subject across and the profits of the broking the broad front." concerns which are its particular interest.

"It's certainly not our role to compete with the Chartered broking concerns. The biggest Institute," Mrs. Bondi said. "and so what we are trying to do is to identify the needs of our members that aren't being met by the CII-its resources are stretched, after all-and

"At basic level, for example, we see a need for courses on fire and loss of profits specifically for brokers' staff. liability insurance, we feel that

"We think there's a large teaching by standard educational methods.

In sum, while the activity deals with the mainstream pro- CII's courses in that area don't which numerous professional in-

insurance sector and provides they're already fully booked, so much supplementary training to our mind that indicates an besides, the Brokers' Associa- under-supply of training. Fortuinsurance training, which brings together companies and brokers

But the main gap which the association is seeking to fill lies at the junior staff levels of of the association's 4,100 member-companies employs 2,500 people. The smallest consist only of a broker and a typist. Three quarters of the concerns have under employees, and almost half have fewer than 20,

In a large proportion of the member companies, the junior staff on whom the broker's service often heavily depends are not people with two A-levels studying for professional membership of the CII. They are people with at best a few Olevels who, amid the hurly-burly of a small but busy concern, are liable to receive no off-the-job will depend on the results of training unless of course their market research to test the employer is a broker at Lloyd's likely demand include which has its own well experience kits "consisting of developed training scheme. study notes, cassettes and film

"Obviously, we'd like to see strips dealing with motor insurschemes of full-time basic training covering firms which aren't especially for newly ioined loyd's brokers," Mrs. Bondi employees. Motor insurance is

said. "But when you consider how few staff many of them have, and the way they have to work for their living, they really haven't anybody to spare for full-time training. So whatever the association would prefer as an ideal, in the end we've just got to be practical."

As a result, the Broker's Association is putting a major effort into a kind of education which most of the formal academic system would probably think unworthy of notice namely, self-study training of a very basic nature.

Projects

Work is in progress to produce a training manual for use by staff as a guide to "best practice" procedures and sys-tems for their offices, and to produce it in a form which can readily be brought up-to-date as still better practices are discovered. Also in hand is a text of about £150 a year, and we book on insurance broking. arrange for them to work for six Other projects in mind which will depend on the results of study notes, cassettes and film

a possible subject, too, for a further basic text book. "The way we see it," said Mrs.

Bondi, " is that this is the type of training that best offers to increase the effectiveness of the greatest concentration of people employed in broking. And if those people are more effective. they'll produce more profit for

our member firms." But did this mean, I asked that unlike virtually every other comparable body I could think

of, the British Insurance Brokers' Association was not concerned about the recruitment and training of graduates at all? "Well, we do have a scheme for graduates," she replied but it's really rather small beer. We offer bursaries in conjunction with Nottingham University which is the only one providing a bachelor degree course that we think has a sub-stantial content of insurance.

The bursary students get a grant

weeks with a broker each year during their vacations. "And from the association's point of view," Mrs. Bondi added with emphasis, "it's the working experience part that is

> Michael Dixon Education Correspondent

BIBA gives members a united voice

broking industry has been that he has a vital role to play fragmented and lacked control in BIBA and this is reflected ning through many articles over tion. the years on the industry and brought about the need for regulation. It also applied to professional representation of region has its qwn council and

merged to form the British Insurance Brokers' Association, thereby providing the first major step to a unified insur-

company to the one-man opera-tion in a small provincial town Brokers European Committee is represented by one profes-sional association. What advan-tages have accrued, or are likely to accrue, from this setup that will benefit all members?

Important

First, brokers can now talk with one voice to Government, Ministers. Government departments, other sectors of the insurance industry and consumer associations,

Such a move is of vital importance under today's condi-tions when the authorities are becoming far more involved in insurance operations and when more is being done to protect the rights of consumers. The views of brokers carry more conviction when put forward by one united body than by four separate organisations which sometimes could not agree on specific lines of action.

Second, it is much easier to

co-ordinate the educational and training programmes for insur-ance brokers. Insurance operabecoming more complex. There has been a stream of legislation affecting in one form or another the working life of brokers.
Insurance products are becoming more sophisticated and

brokers are faced with a bewildering choice. Yet under the registration procedures, brokers have to have a high To assist in the control of t degree of technical expertise. BIBA can do much to help its members keep up-to-date with new developments, arranging educational seminars

gether on a local basis to deal monthly magazine contains not with problems that are more of only longer articles on various a local or regional nature. For technical subjects, but it preexample, BIBA is arranging a vides news from head office and seminar on March 23 on the from the regions. subject of the threatened Thames flooding and the insurance problems that may arise. in Birmingham last autumn
covered technical and social

corporate basis, but this has a extremely successful. companies. Each separate sub- in 1980 at a venue yet to be does have separate membership. for members but for their wives, n many cases the branches of a with a daily and evening social corporate body will be a mem-ber in its own right. BIBA feels that it bas the ber in its own right.

the principals of corporate mem- small brokers although there

and BIBA have claimed that seen to work - and work sucthe small broker would be cessfully - then such disconsqueezed out by the large tent is likely to disappear. Lloyd's brokers. The officials of BIBA have gone out of their

insurance way to assure the small man this has been the theme run- in the structure of the associa

Until a couple of years ago, there were four groups in the UK representing insurance main council on the basis of one officials including its own Press brokers, divided roughly into main council on the basis of one broking "social" groups.

But just over two years ago, in January, 1977, the four bodies that it covers the whole specmembers. An analysis of the structure of the Council shows that it covers the whole spectrum of broking organisations.

There are about 30 committees and sub-committees major step to a unified insurance broking industry.

BIBA's chairman Mr. Francis
Perkins, was the driving force
behind not only the formation
of BIBA, but also in bringing
the Insurance Brokers (Registration) Act. 1977, on to the Statute
Book, Now all brokers—from
the multinational Lloyd's quoted
company to the one-man operawithin BIBA covering the major Brokers European Committee (UKIBEC).

At local level, the regional committees will arrange their own business meetings and social functions, such as the annual regional dinner. - Local training programmes are usually arranged in conjunction with the head office. This latter aspect is now an extremely important part of the service provided to local members.

The regional committees have a high degree of autonomy and this is important in dealing with complaints. These can often be resolved with a minimum of fuss by the local BIBA repre-sentative. He or she will usually organisations making the complaints. Citizens advice bureaux. for example, are a focal point for receiving such complaints.

If the difficulty cannot be handled locally, then it can be referred to head office. Complaints by members themselves against insurance companies, or other insurers on behalf of clients, can be referred to head

BIBA has appointed a fulltime consumer relations officer. One of his tasks is to liaise with the Office of Fair Trading, the Consumers' Association and consumer

To assist in the training and educational programme, BIBA publishes every month a news bulletin and magazine. The bulletin provides technical sub-ject matter covering all aspects of insurance, including latest Third, through its regional products from companies, new councils, brokers can meet to legislation and regulations. The BIBA's first annual conference

Membership of BIBA is on a functions and the event proved wide definition. It covers association intends to switch partnerships and sole traders this event to the spring, with as well as quoted and unquoted the next conference to be held sidiary of a company can and named. This function is not only

BBA at present has about blend just about right between 4.150 corporate members. Then the involvement of major and -directors, partners or have been rumblings from some sole traders — are eligible for isolated quarters that some the principals list of BIBA. The membership covers about 53,000 staff.

Corporation of Insurance taff. Corporation of Insurance The opponents of registration Brokers. But if BIBA can be

Just what is there left for the successful businessman?

For the man or woman who works hard at making a success of business there should be appropriate rewards. Unfortunately it's becoming more and more difficult

to find them, let alone pay for them. Personal tax not only stifles initiative, it makes it almost impossible to earn enough to afford a lifestyle to which you would like to become accustomed - or perhaps once were.

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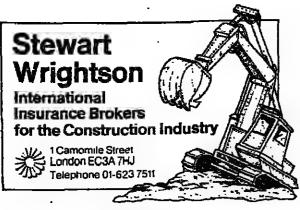
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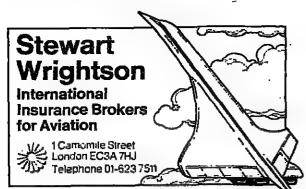
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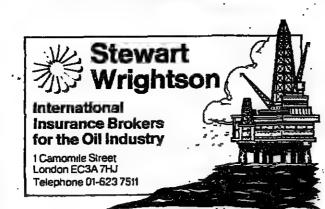
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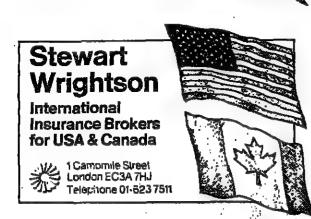
















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A mainter of the furheige Group

An unprecedented amount of public criticism of Lloyd's last year resulted in a working party to examine the Lloyd's community's ability to regulate itself. Meanwhile, British and U.S. brokers have been joining forces to operate in the increasingly competitive international insurance markets, as John Moore explains

Self-examination at Lloyd's

one of the most respected City institutions, came in for an last year was that Lloyd's and also unprecedented amount of public

The individual issues that incited public comment were varied. But as each issue was aired a common topic kept re-emerging: the question of the structure of the Lloyd's market.

Not for the first time were many observers wondering whether the curious market structures of Lloyd's itself were the cause of many of its prob-lems and conflicts. There was concern that the rugged individualism or entrepreneurial spirit that Lloyd's was trying to preserve was largely outdated and outmoded in a commercial society within Lloyd's that perhaps treated the old accepted standards of utmost good faith in more cavalier fashion.

The appointment of Skr Henry Fisher by Lloyd's to chair a working party that plans to look at the entire aspect of selfregulation within the Lloyd's community was a natural outplace last year. The Fisher team is sensibly examining most use is sensibly examining most use the market's components—the more difficult as agent the brokers, the underwriting merged with the brokers, brokers, the underwriting merged with the brokers.

Lloyd's healthy.

Moreover, on the face of it, some were in a position where they could dictate policy on underwriting matters. Many underwriting matters. brokers own underwriting responsibility is to the client, agency companies, the companies which manage an underwriting syndicate's affairs.

The reduction in the number of truly independent underwriting agencies has come about small firms have sold out to the broking houses for tax

Lloyd's has a rule whereby underwriting agencies can only be controlled by members of Lloyd's. But most main board insurance come of the controversial inci- directors of the large brokers relationship dents and disputes which took are members of Lloyd's and so the possibility of a separation of powers and duties has become

A much repeated observation ing agency company, who may last year was that Lloyd's and also be the chief underwriter. perhaps the Committee was could be sitting on the board of becoming too broker dominated, the holding company which The growing power of the makes policy for the entire super or mega-broker, usually group, including the insurance publicly quoted, within the broking interests.

The chairman of the insurance community was un- The chairman of the insurance some underwriters broking operations often sits as muttered. They could use their chairman of the board of the sizeable accounts within Lloyd's underwriting agency company, to perhaps unfair commercial although he might profess advantage over underwriting publicly to never concern himmatters.

At the heart of the basic con-flict in a set-up like this is the respective roles and duties of the broker. The brokers first not to insurer. In turn the insurer, or underwriter, has to rely on the good faith and special trust that is established between himself and the broker.

To keep the relationship between the underwriter and the insurer on a proper footing is a delicate task at the best of times. But in intensely competiexist in Lloyd's and the London community, that become

stramed. There is another pressure on within their groups.

LAST YEAR Lloyd's of London, Committee — as a first move. the chairman of the underwrit- change listing he clearly has a to produce the best possible results for the group.

How those results are arrived at may not necessarily be in accord with accepted standards gentlemanly conduct within the Lloyd's community.
The relationship of under-

writing agency companies within Lloyd's brokers is not going to be an easy matter to resolve. But Lloyd's does seem to be getting to the root of another important problem within its market without the aid of recommendations from Fisher team. Last year it struck off or suspended what seemed a large number of brokers, four or five in all. Several had fallen foul of its solvency rules, which had recently been tightened up.

Disputed

In addition to satisfying more solvency brokers have been asked to provide themselves with adequate more appropriate for the in-creasing number of insurance claims that are disputed on tho grounds of misrepresentation by the broker. For this Lloyd's has set down certain limits. The brokers, and the underwriters premiums on this cover are If the expensive and many small broker does have a stock ex- brokers have found the extra CONTINUED ON NEXT PAGE

Growing links with U.S. groups

months of 1979 gone two significant U.S. and UK insurance broking relationships have been

In the instance of Willis Faber and its announcement in January it is perhaps unfair to suggest that its link with John-son and Higgins, the largest private broking company in the U.S., is a recent one. The Willis-Johnson relationship stretches back to the beginning of the century. Moreover, Johnson is a very private company with little desire to pool revenues and profits with anyone, say in the manner of C. T. Bowring and Marsh and McLennan.

But it is significant that Willis Faber felt it necessary, against the background of recent events. to remind the world at large of its relationship with Johnson and Higgins and that it had no intention of letting the grass grow under its feet

grow under its feet.

It was, it explained, planning several joint ventures with Johnson in the U.S. to consolidate its operations. The U.S. produces more than half of the world's non-life insurance premiums and Willis Faber explained: "We are after a few crumbs from the rich man's table."

And, as a practical gesture towards becoming more involved in the U.S. market, Willis Faber announced that with Johnson and Higgins it was planning to form a company to introduce underwriting members to the New York Insurance Exchange, group those members into syndicates and manage their affairs. Minet Holdings followed the

Willis initiative with what has become an orthodox pooling proposal between it and Corroon and Black, the fifth largest publicly quoted broker in the U.S. In forming its new alliance Minet is to sever its five-year-old equity ties with Fred. S. James, although the long-standing association and co-operation between the two groups is to continue. will make the next

move? This has been the repeated question since last April when Frank B. Hall and Marsh and McLennan, respectively the third largest and the number one quoted brokers in the U.S. both bid for Lloyd's

THE TOPSY-TURVY world of will also give them wider repre- medium-sized broker to thrive, broking company which is going international insurance sentation abroad. They have broker shows little sign of turned to UK brokers partly plenty of London brokers of reorganisation and upheaval settling down. With just two because of their expertise, but around who so far have not, could lose a few dissatisfied

> Lloyd's and the London companies they ought to have a bigger say in the London market. And as they provide substantial business for Lloyd's of London brokers—all business that is placed with Lioyd's has to be channelled through an approved Lloyd's broker, and the commission is shared between the two brokers—the London brokers really should not mind.

The UK broker in turn has been delighted by the movement of events. Worried by the in-creasing competitiveness in world insurance markets, where premium rates are often under pressure and with them the broker's commission, the UK broker has started to plan for long-term growth. His formula for long-term

growth is to try to get closer to his clients in his principal market, the U.S. To do this he has found the formalisation of a link with a top U.S. insurance broker the ideal solution, since in any event their com-mercial dealings stretch back some years.

And so on paper the two philosophies should be comple-mentary. Yet in recent months there has been almost an air of desperation in the London broking community as UK brokers rush to find U.S. partners, or the U.S. brokers rush to seek them. What may have started out as good commercial logic between one or two American and British brokers, could have become merely a defensive mechanism on the part of imitators.

The deal that Sedgwick Forbes and Bland Payne produced last November, involving a jumbo-size merger of the two groups and then a link-up with Alexander and Alexander of the U.S., foreshadowed perhaps the future reorganisation and regrouping of insurance brokers in the UK

Indeed, Mr. Ian Findlay, chair-

man of Lloyd's and himself a of London insurance brokers. former chairman of Sedgwick With events following thick. Forbes, told the Wilson comformer chairman of Sedgwick and fast in the transatlantic mittee: "We may well see a time broking world the reasons coming when there are perhaps behind these moves, and who six or eight very large intermay have taken the initiative, national firms doing most of the have become obscured. The international type of business, motives, however, are plain. The and then quite a large number Americans, particularly the of smaller firms of a more large brokers, see limited scope specialist nature." The new for increasing their broking order that is emerging could empires at home in a way which leave little room for the

Meanwhile, there are still through a massive programme olenty of London brokers of reorganisation and upheaval because of their expertise, out more importantly for the comparative strength of the UK include Matthews Wrightson, brokers' international networks, the link to future growth.

Moreover, the Americans felt that as they produced such a that as they produced such a that as they produced such a Enthovan, in which Corroon and Thack held a 25 per cent stake, Black held a 35 per cent stake, will be fully taken over by the Charterhouse Group, the bank-

ing and industrial conglomerate. Those brokers that are sitting on the sidelines are watching to see what effect a large and complex merger—the Sedgwick Forbes and Bland Payne merger -is likely to have on the distri-bution of business volumes. A

announced any initiative. They clients and important accounts. Even those London brokers that are establishing fairly straightforward pooling links with American counterparts are finding it difficult to cope with the massive volume of business

competitors.

that has been diverted their way suddenly by American partners. It is not surprising, therefore, that there are a few predators waiting to pick up some of the benefits of the UK-U.S. insurance broking realignment, with-

out wishing to go through the expensive contortions of their

REINSURANCE SYMPOSIUM THE QUESTION OF SECURITY at THE TOWER HOTEL on MONDAY, JUNE 4th

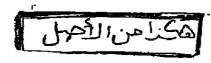
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March 5 1879

Upheavals within the London

insurance broking community,

as a result of the establishment

of new alliances between British

and American brokers, has

prompted a number of re-insurance specialists to leave

their insurance broking com-

panies, and set up on their own

The unsettled internal organi-

sations of many of the London brokers are likely to leave

clients dissatisfied. So the small

specialist group could benefit

as accounts move from broker

in this way.

Reinsurance for the big risks

ance premiums were a little 55bn Now they exceed \$20bn by a wide margin, representing over five times total surance premium that enters and increase the amount and that market.

isting he clearly is In spite of the financial bility to the rebility in spite of the mancial bility to the rebility importance that reinsurance ince the best post has established within the hose results are a literature its rather esoteric funchose results are insurance community but not necessaria by years, its rather esoteric functions have remained a mystery with acceptant tions have remained a mystery with acceptant. with accepted date to the general public. The emanty conductor main reason for this is that his community relationship reinsurance has no summer of agency companies to insurance, such as a member of l's broker; hot public or a business.

IN 1964 world non-life reinsur- pany and the reinsurance important role. He advises his tion and wishes to establish a company.

Through taking out reinsurance cover insurers protect themselves from underwriting amount of premium that Lloyd's losses which could damage their of London handles annually, or solvency; bring some consistency ten times the amount of rein- to their underwriting results; underwrite. Rather like bookmakers, insurers through the medium of reinsurance are laying off their " bets."

Reinsurance companies themselves can arrange reinsurance cover with other companies on reinsurance business that they have accepted. In this way the risk is fragmented, and claims should not prove onerous to any one company as and when they

loyd's does the Reinsurance contracts are. As in ordinary insurance to the root of the all, arranged between two business, the intermediary—or to the root of after all, arranged between two business, the intermediate in problem and insurers—the insurance com- reinsurance broker—plays an

TRANSATLANTIC DEALS

client on the best reinsurance link.

scheme, and seeks out those

markets which are likely to

prove a safe and reliable

support to the insurer. In the

UK most reinsurance brokers

are subsidiaries of larger insur-

But often reinsurance specia-

lists have left the full time

employment of such companies

operation of their own. In these circumstances capital for the

new reinsurance broking com-

pany may be provided by another insurance broker who

sees potential in the new opera-

start a reinsurance broking

ance broking companies.

Frank B. Hall of the U.S. and Leslie and Godwin of the UK, and Marsh and McLennan of the U.S. and Wigham Poland of the UK

Committee of Lloyd's rules that no insurance interest outside the Lloyd's market may normally hold more than 20 per cent of a

Hall puts its bid on ice, and Marsh's approach to Wigham comes April 26

Lioyd's committee blocks attempt by Swett and Crawford, a subsidiary of insurance group Continental Corporation of the U.S., to take a larger than 20 per cent minority stake in Harris and Dixon Insurance Brokers of the U.K.

C. T. Bowring of the UK and Marsh and McLennan in private June 29

Hall revises £25m bid for Leslie and Godwin which satisfies the Lloyd's committee.

C. T. Bowring announces that talks are under way with Marsh and McLennan which could lead to a pooling of their insurance

Swett and Crawford allowed 20 per cent stake in Harris and Dixon by the Lloyd's committee. November

Sedgwick Forbes and Bland Payne of the UK to merge. Then planning to link-up with Alexander and Alexander of the U.S.

Willis Faber of the UK plans to consolidate its American operations through more joint ventures with its long-term partner Johnson and Higgins of the U.S. They both intend to help the development of the New York Insurance Exchange.

Whatever the residual benefits are to individual reinsurance brokers that come from the re-arrangement of the transatlantic alliances, the main market for the UK reinsurance broker's business is the U.S. It was the U.S. market which exported about \$3bn of premiums to London in 1977, 2 large part of which was in the form of reinsurance.

A principal class of re-nsurance business that is handled in London from the U.S. is the excess of loss re-insurance arangements. Under this type of reinsurance the U.S. domestic insurer decides on the maximum loss that he is prepared to bear on any one or series of events, and then arranges with reinsurers to pay the excess of that amount up to an upper limit.

London, of course, attracted the hard-to-place reinsurance lines of business such on property and casualty

risks, and various classes of hability insurances. But many of the risks that American insurers have not wished to expose themselves to have arrived in the UK as direct insurances.

The reinsurance business that arrives in London from the States comes from just a few major U.S. brokerage firms such as Guy Carpenter (the largest U.S. reinsurance broker and a subsidiary of Marsh and McLennan), Towers Perrin, G. L. Hodson, Willcox Beringer (a subsidiary of Johnson and Hissing Control of Con Higgins), John Sullivan, E. W. Blanch, Intere, Balis and Booth Potter Seal.

They have needed links with UK brokers, particularly with approved Lloyd's brokers, in order to take advantage of the specialised expertise in London

guaranteed to be consistent from the U.S. They are subject to market forces.

In the mid-1970s the under- softening. Moreover, insurance writing experience of insurers in experts are warning that there the U.S. declined dramatically, could be a severe insurance At the same time investment values collapsed leaving the capital bases of many of the insurers badly damaged. Inwas climbing which meant that insured values were

a massive boost. But the U.S. insurance market recovered and the market underwriting cycle has peaked once again. Premium rates are reported to be falling because of the intensity of the competi-

tion and the surplus of available

even more onerous to bear. The

U.S. insurance market con-

tracted and

market.

Inflation is also creeping up and gain access to Lloyd's. In the U.S., which could pose But business flows are not new problems for the liability classes of insurance business when it is placed domestically

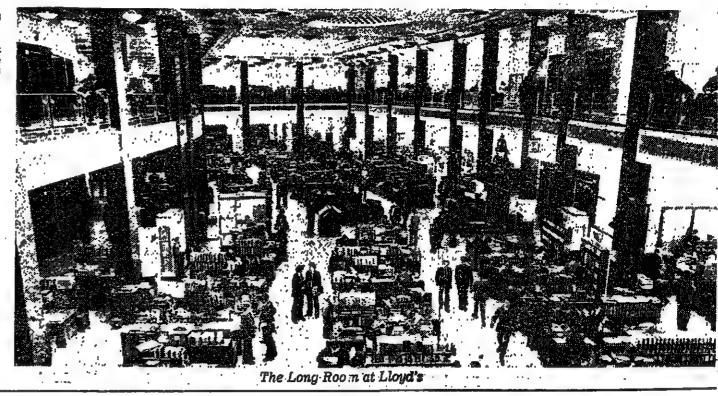
capital and capacity shortage in the early 1980s.

In conditions like these the reinsurance broker will be more heavily depended upon by clients to provide a thorough service when arranging the necessary reinsurance layers. And because premium rates will business found its way to the barden as the market contracts UK giving the London market his brokerage will show a his brokerage will show a healthy rise.

Meanwhile the emergence of the New York Free Trade Insurance Zone, together with the eventual establishment of a New York Insurance Exchange. closely modelled on Lloyd's

could prove to be of use to the UK reinsurance broker. These new projects in the U.S. are likely to require reinsurance back-up and the expertise of

J.M.



jam. Last vier in

ntly been tighted; CONTINUED FROM PREVIOUS PAGE

costs burdensome. and claim payments have to be channelled. This ensures that insurance money is not allocated for other capital needs of the broker in noninsurance interests.

before gaining entrance to Lloyd's are monitored constantly. But, when a publicly of serving sectional interests, quoted broker needs to be A new debate will then open disciplined at Lloyd's, Lloyd's up on whether Lloyd's should itself proceeds with more have a full time executive concaution than it would with a mittee, with a paid chairman. private broking firm.
Shareholders' interests are

if that broker were suspended

But Lloyd's is bound to be insurance under some pressure to evolve brokers have to keep a separate a disciplinary system appropri-insurance broking account into ate to the publicly quoted which all insurance premiums broker, which is seen to be fair in relation to the rest of the

Some members of Lloyd's argue that whatever reforms Lloyd's introduces there are bound to be cries from parts of The admission standards that the market who might accuse every new broker has to meet the Lloyd's ruling committee, before gaining entrance to who are mainly all working

The next two years could be tough for Lloyd's if the Fisher locked up in the share price of working party deals with some the publicly quoted broker, and of the central problems of the community. But what might from placing business with emerge in the recommendations. Lloyd's the share price would if implemented, could make fall and the goodwill of the Lloyd's a healthier and more efficient market place.

February
Minet Holdings announces that it is planning to pool its insurance
business with Corroon and Black of the U.S. Minet severs its
equity arrangements with Fred S. James of the U.S. Corroon

and Black may sell its 35 per cent stake in Glanvill Enthoven of the UK to Charterhouse Group, the majority shareholder.

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POSIUM URITY DAY, JUNE 4 1 to 5 - 18-12:03 Property Brief

Increasing use of computer aids

THOUGH THE insurance companies, with a few notable exceptions, were relatively slow starters in using computers, they are now exploiting of the facilities; that advanced data processing techniques can offer. These run by the knowledge that, as the maintained files or the need from investment management to load increases, computer power constantly to refer by telephone computer output on microfilm can be expanded from its to the centre. and include continuously uppresent level of about 11 times A number of branches serv-dated account information that that of a 370/148, stepwise and ing 16 out of the 24 undercan be interrogated directly by on site over a week-end to the company staff from branches far equivalent of a 3031. The indusdistant from head office.

other organisations needing a clearly believes itself able to considerable amount of cierical cope with any of the consesupport, the insurance comquences of opting out of IBM panies have felt the pinch from staff shortages in the past few years. Computerisation, especially on the accounting side, has is not a cut-and-dried operation aided them not only to cope with and a great deal of information the need for more extensive and is necessarily generated in the speedy management information course of providing cover. To but to expand the services they control this information and

business.
Some like the Frizzell Group, have been particularly venture—
the top ten in the country in some in breaking away from the the "composite group." It is apron strings of IBM and adopting equipment which competes based on two large IBM the magnetic tapes with policy directly with the latter's machines at Cheltenham to information and these are promachines but runs on the same which the 24 policy writing cessed into fiche at the rate of software, or operating routines.

Frizzell has ordered and offices are connected by Post 350 per week at Eurocom, offices land lines. Video dis Rickmansworth, and sent by installed an Itel AS/4 which plays and keyboards in these post to the 109 branches now replaces an IBM 370/138. The offices allow underwriting staff using the system. It will take latter had been on rental only for a year but, a spokesman for for a year but, a spokesman for the main computers as and the group declared, there were the information is clearly declared, there were the information is have up-to-date records of poll-too many machine changes and costs were rising too quickly. A decision was taken to purchase and fix processor costs for five years.

The company has a further a split second.

This is an interesting development from the system which expensive business to put all started life as a back-up to the these in direct communication computerised service at the

equivalent of a 3031. The indus- plete policy records on microtry is obviously, alive to events fiche which can be rapidly Like the bankers and many in the data processing area and ther organisations needing a clearly believes itself able to equipment.

Writing insurance policies in which there are many variables

ters, they are now exploiting the company's time scale, hence most of the facilities that the Itel decision. The answer has been to go over to a computer output on micro-

writing areas now have comscanned on readers. The FMS
(Fiche Management System)
developed by the Eurocom offshoot of National Westminster
Bank is used. This permits continuous updating of Eagle Star's large file without the need for a complete reprint.

Once a policy file has been created, the weekly fiche contains only the changes that have occurred in the week, plus offer at a time when, without electronic aids, they would have been unable to cope with normal been unable to cope with normal lished by Eagle Star Insurance. Viewers have dual fiche carriers The latter company is one of and can hold both index fiche he top ten in the country in and detail data fiche simultaneously.

Cheltenham centre prepares plays and keyboards in these plays and keyboards in the system. It was to offices allow underwriting staff using the system. It was to offices allow underwriting staff using the system. It was to office allowed the system.

CMG's City of London branch This is providing bureau support to Marlow Underwriting Agencies, and has developed an investment management system and a unit-linked life insurance system other operations con-with the insurance among nected

proposal forms, automatic underwriting can be carried out; provided the proposal meets predetermined rules. This means that if the sum insured does not exceed the reinsurance limit, the proposed

A management accounting report of the brokers' ledger extension prepares figures for quota share and other re- ments and closing balances in insurance protection together sterling, U.S. dollars and with production of management Canadian dollars is produced fee figures on both accounted automatically.
and settled basis.

Apart from reports extracted

This latter facility was puter will automatically under- to CMG for processing. After the data is printed out only developed originally for the write the proposal and issue the data has been checked, it goes specific requirement. TSB Trust Company and after initial running on a machine at Detailed unit allocation state- matically updates brokers' Exchange investment.

with opening balances, move-

life has cleared health ques. Information on new policies, to provide the audit trail, users tions and is within height/ premiums, claims, cash etc. are are in full control of the weight requirements, the comput on to input forms and sent frequency of reporting so that data is printed out only to suit a Handling over £15bn of Stock

panies have their own computing facilities and a number of the country's computer bureaux have set up a variety of services to provide support in several areas of insurance operations.

Possibly the most active in providing such services is CMG's City of London branch.

Accurate audit trails are provided and by taking providing such services is computed for times and statistics for the computation fidus mation reports—Department of management information fidus mation reports—Department of the system.

Trade return data is easy to give managers of used as a bureau facility. It is intended to reduce the administic cies is using a system which. Each month, brokers' open times so that they can formulate where business is growing.

Croydon, to handle accounts each of three currencies, with and statistics for the companies for whom the agency code of items outstanding in management information fidus mation reports—Department of the system.

Trade return data is easy to give managers of inserting or control of the month, brokers' open times so that they can formulate times so that they can formulate and statistics for the companies for whom the agency code of items outstanding in used as a bureau facility. It from the system.

Trade return data is easy to give managers of inserting or code in form the system.

Trade return data is easy to give managers of inserting or code of them statements are printed for times so that they can formulate times so that they can formu machines:

Thus there are many support services for this importan-industry which can continue to grow, matching the expansion in car and home ownership as well as the need to cover such new phenomena as oil rigs and all liners, without being hampened in its activities through delays in the completion of the necessary formalities.

Ted Schoeters

Big Four banks all active

ALL FOUR of the big London the hell they expect us clearing banks have their own If we were allowed to run this insurance broking businesses. business our own way—the way Relatively speaking, these are insurance broking should be expanding rapidly and all now rank the corporate sector as the major growth area of their insurance broking operations at the present time.

The branch organisation of the clearing banks seems ideal for bringing in business and indeed is the central feature of all the banks' insurance broking activities. But it is no longer possible for bank managers to act on their own right as agents late 1920s. For insurance companies. This of the activity became an embarrassment for the banks in the sixties. Indeed so lucrative was the business to some bank managers that it was often very difficult to get them to

Today all the clearing banks emphasise that their insurance broking activities are "whiter than white," so concerned are they about some of the events of the past. But does this mean that the banks are placing undue restrictions on the insurance ... broking : subsidiaries? According to some people it is. commented manager. recently: "I don't know how £3.4m, while pre-tax profit was

clearers are growing rapidly in insurance broking, He sees them as a major force in the High Street market and points to the fact that National Westminster is already the biggest broker of personal life business in the

NatWest can trace its involvement in the insurance late 1920s. Following the merger Westminster and National Provincial banks in 1968/69 managers were prevented from writing their own agency business. Now all NatWest's insurance broking is centralised at offices in Bristol. So bank managers up and down the country remain essential to the expansion of the business.

The operation is headed by Mr. Byron Crittenden and is conducted through a wholly owned subsidiary called National Westminster Insurance Services. In the year to September 1978, National Westminster achieved an 18 per cent increase in commissions to a total of country.

THE CLEARERS COMPARED Insurance broking businesses.

Relatively speaking, these are insurance broking should be small and they compete more in High Street insurance broking should be growing at in High Street insurance broking should be growing at in High Street insurance broking are would be growing at in High Street insurance broking should be run—we would be growing at ing than with the major Lloyd's names. Nevertheless, banking analyst District offices

280 Staff

Nevertheless, banking analyst District offices

280 Commission income 1978 (£m)

281 Staff

Reported pre-fax profit in this income. Commission income 1978 (£m) ... 3.2 Reported pre-tax profit 1978† (fm) 0.6

tralised structure, according to So the office in Norwich is Mr. Crittenden, is the degree of specialisation it allows. "Quite simply it enables us to devote the greatest degree of expertise to the areas of greatest risk, thereby giving a much better

The contrast could not be greater at Barclays. Here in-surance broking is conducted through a subsidiary called Barclays Insurance Services under managing director Mr.
Peter Mattland, Bardays
Insurance Services is headquartered both in Croydon and at India House in the City. In addition it has four area offices Leeds, Birmingham, Bristol and London—and a further 38

district offices dotted around the The Barclays philosophy is to started in 1972. For the last

* Barclays also has four area offices. † Figures unlikely to be comparable because of different accounting rules. up marginally from £1.1m to give as much local autonomy as £1.2m.

possible to the man on the spot. possible to the man on the spot, and to make him identify with the community he is working in.

> managed by a Norwich man.
>
> Midland conducts insurance broking of a nature similar to that of the other clearers through Midland Bank Insurance Services where Mr. Ken Green is managing director. Until the proposed Bland Payne deal it had, of course, by

far the largest exposure of all the banks in this sector. Midland Bank Insurance Services has its head office in London, but this in turn is backed up by some 25 offices throughout the country. Here again the rationale is based on the value of personal contact. "You have to see people face to face in insurance broking," says director Mr. John Howat, Midland Bank Insurance Services was

financial year commissions were a very modest £2im, but this was almost a third better than the year before. Pre-tax profits for the same year are reported at £641,000, an increase of about 10 per cent.

A similar picture is evident at Lloyds Bank, which also entered insurance broking in 1972. Last insurance broking in 1972. Lest year Lloyds Bank Insurance Services, which comes under the bank's trust division, achieved a 30 per cent increase in gross commissions to: £2m, Pre-tax profit (the way Lloyds does its sums) was 28 per cent better and no less than 50 per cent of turnares. cent of turnover. Lloyds to operates through local offices; currently there are 28 offices drawing business from an average of 70 bank branches. Managing director Mr. Stan Roberts reckons on being able to achieve growth at a rate of between 25 and 30 per cant a

Compounding at this and faster rates it is clear that the banks are well on the way to becoming a major force in the UK domestic insurance broking markets. Within 10 years both Barclays and Midland, for example, forecast that they will be among the top ten companies in domestic broking. "We've got to do a lot of business," says Mr. Howat.

Michael Lafferty

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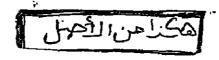
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their year communes they modest film is almost a third but a lamost a third but year before. Preing the same year are 1641,000, an increase 110 per cent. I similar picture is at you Bank, which also arrance broking in it. I Lloyds Bank by vices, which come hank's trust to ieved a 30 per cent gross commissions; tax profit (the say its sums) was any fer and no less that

ter and no less that it of turnover. Lie mates through local rently there are a wing business in the case of 70 bank in daging director in terms reckons on beseris reckons on he schieve prowing and

felt rates it is deare oraing a conjective damente construer riches. Within 10 me viava and Midz apple, forecast tuch Spidal 11 (20 th domestic broking !

Michael Li

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Risk management industry growing

TO MOST people the concept of risk management dates back to the time-fifty or perhaps even 100 years ago—when somebody first seriously sat down to assess the risks of a particular business

enterprise.

For obvious reasons the idea has since been closely identified with the professional insurance adviser. His job is to identify what might go wrong before quoting a premium to his client which will ensure satisfactory insurance cover even if the

worst happens. Traditionally brokers have provided advice to their clients which might involve some solution as an alternative to insurance. The layout of a factory floor, for example, or the simple installa-tion of an emergency generator might guarantee uninterrupted production without the need for conventional insurance cover.

Obviously there is a dis-tinction—and some people would argue, a conflict between the insurance broker's interest in securing a high com-mission on premiums sold and mission on premiums soid and the wider advisory role which he is often called on to play. It is precisely this wider function, whereby a risk is identified, measured, controlled

and if necessary covered, which the growing risk management industry has sought to fulfil. Many insurance broking firms see risk management simply as an integral part of their whole service, at best acknowledging it as a useful management tool, at worst dismissing it as a gimmirky name for soviething micky name for something which has been around for

Other firms, however C. T. Bowring and Bain Dawes, for example—have set up risk management subsidiaries which often operate independently of their parent and take on work which does not necessarily lead to the placing of conventional insurance business.

Despite its much earlier fundamental - origins, the separate business of risk assessment and management was more recently developed in the U.S. in the late 1950s and 1960s. In the last decade it has become much more firmly accepted by the insurance establishment in



The catastrophe risk — the wreck of the tanker Betelgeuse at Whiddy Island, Bantry Bay, Ireland

should be seen in isolation, even of identifying, measuring, con-by those insurance broking trolling and providing insurance firms which have set up a cover for risk.

separate subsidiary, is debate able. Controlling losses in the most economic way is part and growth of risk management as parcel of the broker's job and a separate discipline has any lessons and techniques accelerated over the past few developed over the last few years in the wake of a greater years by a separate study of the risk management art will and non-insurable risks.

undoubtedly have been noted Paul Bawcutt, a director of the those involved in the extent. Risk Research Group, which by those involved in the every-day business of handling insur-

Concept ...

On the other hand, because risk management is essentially a concept used to save money (although cynics might say that lower premiums are offset by high expertise, it is possible to argue that a basic conflict existsbetween risk management and the insurance broker.

of C. T. Bowring prefers to with oil companies and govern- Risk management consultants see insurance as just one but ments anxious to weigh, for are therefore obliged to take often a vital part of the com- example, the benefit to profits the widest possible view and

a separate discipline has accelerated over the past few

Paul Bawcutt, a director of Risk Research Group, which claims to be the biggest inde-pendent risk management consultancy in Europe, estimates that there is now fee income worth very roughly £1m in the European risk management

last few years is a greater pre-occupation with social and political risk which potentially may be extremely damaging but which cannot be insured," he

says. The North Sea is one obvious Alternatively, Keith Bullock market for this type of work,

from a rich oil flow against the harm to their reputation which can be caused by environmental

The areas of risk are simost endless—if there is uncertainty saved. about the future outcome of In o what we are doing or are pro-posing to do there is a risk. With this huge potential market for resources and energies of risk management consultants, it Bowring, for example, has is perhaps surprising that the about 50 full-time management industry is not bigger or more conspicuous than it already is.

One explanation is that disasters like Flixborough and Seveso are relatively rare. It is difficult to convince companies that their earnings might be in jeopardy or that something could be done about it until after the disaster has happened. In the same way it is difficult to persuade executives even after the event that had they taken a particular course of action the factory would not have burnt down or their entire Board killed in a jet crash.

Risk management consultants

also identify and reduce risks which cannot be taken care conventional -insurance

Often this involves examining the implications of a particular catastrophe for which satisfac-tory compensation would not be available. For example, it is all very well to insure against loss of profit but it may not be possible to guard against other consequential losses. If your chemicals factory burns down for instance, your share of the market will almost certainly be occupied by grateful competi-tors. An appreciation of this possibility may well lead a com-pany to separate manufacturing facilities so that production may be continued at least on one

Advice by risk management consultants to major clients tion to adopt self-insurance for many categories of risks, sometimes by the establishment of their own subsidiary companies —referred to as "captive com-

This can be attractive if the risk is fairly well spread and provided that a fairly cautious approach is made in the first-few years. The captives, of course, will have to meet management costs but the profit. commission and overheads of commercial insurers are all

In order to grasp the various problems, it is normal for independent consultancies and large broking firms to employ a number of in-house specialists. C. T. consultancy staff working around the world, while at Bain Dawes the number is at least 40. There will almost certainly be insurance expertise but there will also be chemists, metallurgists, industrial hygienists, engineers and fire specialists and lawyers who can be brought in to deal with a particular job.

Most risk management con-

sultants agree that it is much easier to identify risk than to quantify the potential impact of a disaster. This however, is one area where we are likely to see important strides in the years ahead.

Tim Dickson

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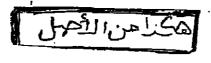
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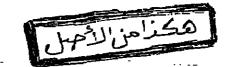
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Essential role of smaller brokers

THE INSURANCE broking small broker, because of his clerical back-up staff, perhaps director of a much larger firm ing director rather than an companies have had their work in the evening to deal with the door and call himself a which form the "big battalions" spend far more time with difficult to generalise but the was able to take some clients managing director would pay whether to contract in or out Motor insurance and house needed and it was a situation where some needed and it wa dentify and reduce taken world consists of the groups lower overheads can afford to which form the "big battalions" spend far more time with concentional insu taken and, a long way off, the mass of clients.

insusmall provincial brokers. The Yet of wide gap between the large the small brokers there are consumber of industrial and brokers and their smaller siderable differences in terms of commercial customers on their stophe for which ing for London is one of the shops, sometimes staffed by no company insurance centres of the more than two men and a girl. The street shop to the company of the company of the company of the size will operate a High Street shop to the company of the c Some sation would knowled and the City brokers, This type of operation, often the file. For example knowled and the City brokers, This type of operation, often well to insure against parts, with their vast amount the desired parts, with their vast amount to get to guard against obviously much larger than in off the street But brokers quential lusses. If their country cousins.

trance, your share the said to be in competition actively go out looking for twill almost cerewith each other. The high dusiness—leaflets through the An appreciation when well lead street, who needs personal the so that products needs. So it is in this area that the least where the small broker comes the least where the small broker comes the least where the small broker comes to the larger provincial brokers to the larger pr into his own. The emphasis is rice by risk manaput on personal service and the

Hants to major includes a recomto adopt self-insura; categories of risk; by the establish, own subsidiary on erred to as "capte

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urvey in 1977.

Nith life assurance many olicies. Under term assurance body dies. Brokers have ommending term assurance vaste of time and money. They hat is what the client wants.

f conduct deal with this probcm. Quite effectively if one eads it carefully. It sets out hree fundamental principles to vhich brokers have to adhere. they must at all times conduct heir business with the utmost commission system to avoid econdly, they should do every- ing the fact that the Life Offices hing possible to satisfy their Association had done precisely lients' insurance needs and this two years before. It had place clients' interest first, moved the bases from a sum hough with due respect for assured to a premium related others. Thirdly, advertising method, thereby removing the nust not be misleading or potential abuse of selling whole

Most brokers do this anyway. in recommending an insurance itill tend to use a well-estabished company, even if its policies and rates are not the best in the market. Memories of the collapses in 1974 of Nation Life and others, with consequent loss to consumers, are going to take a long time to

The code then goes on to list 19 specific examples of the application of these principles, with the warning that they are not exhaustive. The broker has to explain on request the differences in the main types of insurance that the client needs and the relative costs. He should provide quotations

Yet even within the ranks of

partners with a significant

larger provincial brokers will have both private clients and

operate a High Street shop to pull in passing trade and deal with the initial contact with private clients. The shop will be serviced by the rest of the staff operating from offices elsewhere. The main office will deal with the larger industrial and commercial clients.

Example

Then there are the few firms which do not fit readily into either broad category. Chelms-ford based Callaway and Sons is a case in p oint. Set up in 1972 by David Callaway, the firm, which has a staff of only seven, works solely with company clients. It offers technical advice to those companies willing to pay for it.

To establish such a firm from cratch could prove an uphill struggle, however. Before setting up on his own Mr. W45 &

with him when he left as a basis for his new business.

A winning factor for the rovincial broker is the provincial broker is the advantage of personal contact. Insurance can be an extremely tive to deal with insurance complex business and many clients, both private and commercial, feel happier with a face-to-face discussion, rather than receiving a leaflet and covering note through the post. For those brokers after commer-cial business the "golf course" type contact can prove invalu-able for getting and holding on to commercial clients. This sort of relationship is almost impossible for the large London-based broker to develop in the

Mr. Callaway can provide a good example. He recently won the business of a local company of sufficient size to have a stock market quotation. To get it he had to compete against the large brokers. He believes he won the day because of his reply to the company's question of what he could offer that the big broker could not. His point was that the company would receive the personal service of the manag-

Is your money working

as hard as you are?

more attention to the client, if motive.

Some large companies, of course, employ a full-time execumatters. In such cases it is one expert talking to another. However, for the smaller groups insurance may be rated no more than a troublesome chore to be offloaded on to the overworked company secretary or chief accountant. In cases like these the broker's role is more The company secretary or

accountant will turn to the broker for advice from A to Z. Matters will almost certainly be put completely into the broker's hands. He will have to be prepared to discuss at length the company's requirements and do all the preparatory work and handle any claims that arise. For smaller companies such work may prove unproductive for large brokers so it is here that the small- to medium-sized offices can win business.

of the State pension scheme. only because of the profit For some firms this has meant motive.

For some firms this has meant a significant slice of their staffs nirning to pensions full-time. The main activity is now past but brokers still have to deal with enquiries from companies

setting up in business. With individual needs life assurance can prove very complex. The broker must explain what the client needs and where best to go for cover. Savings schemes are also an important part of the broker's work and he has to be fully conversant with all the latest schemes on the market. The only way he can achieve that according to one broker is to burn plenty of midnight oil reading everything

Information

Individuals requires something akin to the "bedside manner of a doctor" and like the agents

forward. The broker must make to exploit the public. sure the client's cover is adequate and reflecting the ravages of inflation on house reputation.

review is needed just to check panies and 15,000 individuals that existing cover and/or are expected to have registered. savings schemes are still suitable to his circumstances. For industrial and commercial clients the broker should almost live with his clients. Being in certain standard. At least any and anything that relates to constant contact, if perhaps insurance and savings.

partly on a social level, is

important.
One of the main problems for the public, however, is how to spot a good broker from a Again, dealing with private bad one. Recommendation can produce a reasonable result but for many the process of finding a broker is very much broker the BIBA memit or miss. Historically, before ensures some standard. offices can win business.

from the blg insurance comhit or miss. Historically, before
In the pensions field provincial brokers dealing with small himself making personal visits able to screw a brass plate to

hold cover is far more straight- where some people were bound The Brokers Registration Act

in 1977 was designed to protect and contents values. As for in the broking profession. Anymotor business, most individuals body—who wants to trade as a want the—cheapest available broker will have to register and bearing in mind the company's to do that will have to meet certain standards. Keeping clients up to date is registration is still taking place vital if the broker is to do his and it is likely to be 1980 before job properly. Certainly for the Act really comes into its individual clients an annual own. By then some 5,000 com-

> Meantime a broker displaying the sign of membership of the British Insurance Brokers Assocomplaints can be dealt with by the association. BIBA was established at the beginning of 1978 from the merger of several broking associations. In all there are 4.118 members, and presumably most reputable brokers will be members. so when dealing with a small broker the BIBA membership

> > **Terry Garrett**

Towards better consumer relations

ission and overheathe insurers when herial insurers Bession has gone more than halforder to grasp the consumers for getting fair treatlems, it is normal keneut when buying insurance, and consultancies after the rights of the consumer have ling firms to employneen clearly spelt out in the consumer's request he must discusse specials ode of conduct drawn up under ring, for exact he regulations accompanying from different insurers when making a recommendation. He has to disclose any additional charges or charges for additional services above the commission received. ring, for examine regulations accompanying 1.50 full-time muche Insurance Brokers (Registra-

es the number is registration of insurance. There will almost prokers is to ensure that the surance experise public does get fair freatment; also be chemis to be able to register, brokers industrial imave to agree to abide by the lawyers who can be reach will give grounds for disi deal with a participlinary action against the

Buying insurance is not like using to identify the Buying insurance is not like using the public do disaster. The cenerally speaking the public do desares where he is not know what insurance they seed and the task of the insurance important string ced and the task of the insurance important string ced intermediary is first to Tim Discommend the insurance pro-

ublic has to rely entirely on hat the intermediary recomnends, so there is obviously omparison, in a television set ne defects soon become appar-With insurance it might e years before the client calises that he was sold the mong policy.

Consumer Association bas lways been criticising brokers or selling consumers the wrong. ind of life assurance contract. t has always maintained that person's needs in this field are rst protection and then savings. jut it claims that brokers sell type contracts which goride maximum commission ather than protection. The association's views were reinorced when it conducted a

A random sample of brokers hroughout the UK were visited y survey teams posing as pros-lective clients seeking insurnce advice. The needs of these sypothetical families were very nuch protection. Yet about 60 ser cent of the brokers recomnended savings contracts. The onsumer was thus having to say far more for his protection. In these findings the Consumer Association damned the whole roking profession.

While there is a lot of truth n these findings, the Associa-ion overlooked one simple fact. eople want to see their money ack with interest on their life iere is no money back if und from experience that hich the client needs is a ecommend savings because

company to a client, brokers paid commission at 300 to 400

This is a consumers' insurance rights charter and the code makes it obligatory on the broker to display a notice in his office where the public have access, telling of the code's existence, and making copies of the code freely available on request. This notice also gives the address of the advice on how to make a com-plaint or seek the Council's help in resolving any dispute.

But consumers will from next year get even more protection in buying life assurance. On buying a new contract, there will be a cooling off period of 10 days during which, without incurring any financial loss, they can change their mind and not continue with the policy. The life company must send direct to the consumer cooling-off notice which sets out details of contract, penalties on early cash-in and other warnings.

When this comes into force. will not be in the broker' to indulge in hard selling. If the client then does not take up the policy the broker will have wasted his own time and money and that of the life company. It will pay at the outset to ensure the client fully understands what he is buying and why.

Herein lies the root cause of much of the problems between consumers and the insurance Insurance is complex subject which the insurance companies make even more complex. It has developed seems difficult for the expert to talk or even think in plain language. In particular, the policy itself, being a legal document, has been worded so as to stand up in court rather than be understood by the policy-

The Office of Fair Trading and the Consumer Association been urging insurance companies to make their docu-ments understandable by the public. already been done by companies in their promotional literature But General Accident recently motor insurance policy, confi dent that it will stand up in

its policies to consumers. But this lack of communica Gordon Borrie, director-general of Fair Trading, made a very strong attack on insurance sell-How does the brokers' code ing towards the end of last year. But he had not done his research properly or checked his facts with the insurance companies.

In particular he called on the life companies to review their integrity. overselling, completely overlook life non-profit policies to young consumers on commission grounds. The intermediary was per cent of the first year's premium; now the maximum is 90 per cent, payable over two

> The British Insurance Brokers Association has now appointed a full-time consumer relations officer to deal with complaints and to liaise with the consumer bodies. Brokers can still do much to ensure that their individual clients understand what their insurance needs are and how to meet them. After all, that is one reason why the consumer consulted the broker in the first place.

If you've kept your savings in cash, or simply placed. them in something like a straightforward savings account then the answer is probably "No."

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GREAT INVESTMENT

Exporters have special needs

THE BUSINESS of export Germans, were there in greater commitment to insurance for broking, and to some extent strength. . . that of the exporter himself, has always involved a special kind of risk element, as recent the more normal risks of lost reading for the insurance brokdocuments and damaged cargo, ing industry. Rolls-Royce
the businessman faces the Motors, GEC, BL, Clarkson
additional problems of ensuring International and, of course, imponderables associated with insurance has summoned up a special sector within the insurance industry.

The possible losses involved for British business in Iran cannot yet be computed. Probably they will be lower than seemed likely only a few weeks ago when the UK Government's Export Credits Guarantee Department (ECGD) found itself obliged to suspend all insurance cover on new business commitments in Iran by British businessmen. Existing commitments remain covered as per contract but companies concerned have been asked to con-sult the ECGD before letting further shipments go ahead,

Commitment

exposure in Iran almost certainly exceeds £1bn, but with defence contracts playing the major role. Such contracts are almost by definition within the compass of the ECGD—indeed Iran is its third largest areaand any loss on such contracts will by-pass the private insurance industry to a large

has been put at around £900m long shot, perhaps, but fairly but there is little expectation at typical all the same of the proppresent that any pay-out of this lems that can suddenly present the size is on the cards. Iran has themselves on the desk of massive assets in the West and export insurance broker. was able, under the Shah's rule, was able, under the Shah's rule, to pay its debts out of oil cash flow. The UK, European and U.S. banks, which are also in 1978 it effected political period had seen a "softening" risk insurance on 21 different of the distinctions between heavily committed in insurance nationalities of exporters operations insurance broking as previously on clients' business with Iran, ing in 90 different countries— understood and other financial have been noticeably slow to put and this during a year in which any pressure on a country which not only has most of the world will presumably become a major struggled with the dangers of customer again once the oil

of the list of European countries Israeli war. with business at risk in Iran. Like much of the broking seem, is the pattern for the next Other nations, notably the West industry, it takes seriously its decade in the insurance broking

Nevertheless, the list of UK exporters with business outstanding in Iran reads like a events in Iran have amply roll call of British industry, and demonstrated. In addition to all can hardly make comforting payment from sources in a British Petroleum, the giant of strange land and all the added the list, all have hefty commitments there and must therefore sudden political change. It is have contracted insurance, hardly surprising that export There is also a host of smaller companies, largely in construc-tion, for which Middle East con-tracts have provided a vital cushion against a shrinking market.

> But Iran should not be allowed to mask the other areas in which British insurers have found themselves at hazard. Perhaps the most notable of last year was Turkey, which cost the ECGD some £48m after insurance cover was suspended in October 1977.

In the recent past, the ECGD has felt itself obliged to suspend insurance cover on exports to Uganda, North Vietnam and Rhodesia with the last named

a source of general embarrass-ment to all concerned. The latest tremor to run round the insurance market has its source in the Chinese-

Vietnam border conflict.

Almost every major UK com-pany is hoping to do business with China and there are plenty of insurance commitments This view would be borne out already in hand. There is of by City investors who predict course no insurance against an that broking profits will conall-out conflict on the Soviet tinue to grow, with international Chinese border, but there is a sernings continuing to provide real possibility that the trade the main impedus. with China may become bogged The total ECGD commitment cal conflict. This may seem a themselves on the desk of the

inflation and looming recession, starts to flow once more.

It is also true that the UK alarming international developments by no means at the end ments since the past Arab-

the smaller UK exporters, who squeezed out by the bigger names. Like other brokers, too, it participates widely in projects involving the ECGD, where it sims to supply technical insurance aid on major project busi-

The general trend in the broking industry has been for profits to increase sharply over the past couple of years, with the main engine for advance coming from the flow of overseas —and particularly U.S.—earnings into the London broking market. This trend reflects in part the growing importance of overseas trade and capital finance to U.K. brokers, which has tended to draw them all into the export business to some

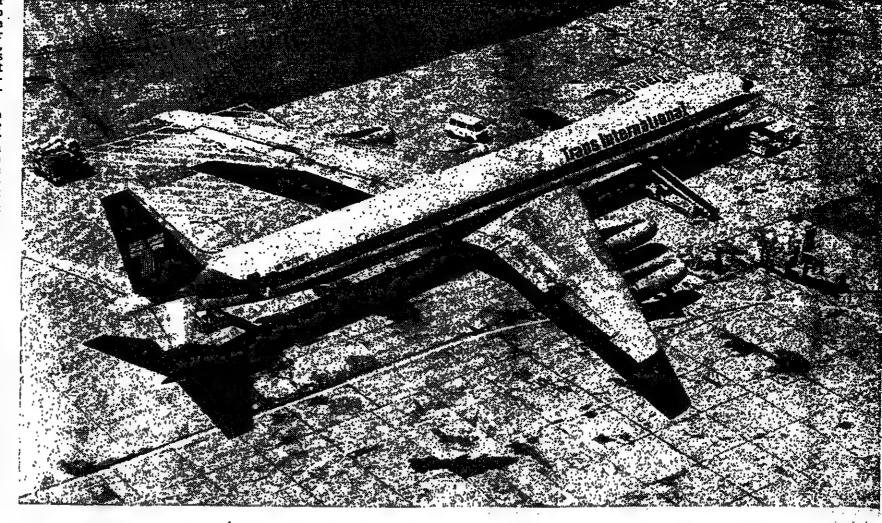
Currencies

It has dovolved them in the problems of currencies and political changes once regarded as specifically problems for the specialist export brokers. The wish to harmonise insurance wish to narmonise ansurance inside the EEC, and the signs of impending competition for Lloyd's from the U.S., have both had a similar effect on the UK industry. It is hard to see how there can ever be any return to the days when any major UK broking firm could avoid involvement in the export field.

that broking profits will conthe main impetus.

A survey of the broking industry by a major stockbroker has pointed out that the spate of mergers of the late '60s and "70s had created about a dozen quoted companie which derived the bulk of their profits from international insur-

Thus, the survey concluded, certain major broking firms now obtain a significant part of their profits from such activities as insurance underwriting, shipbroking, merchant banking and credit finance. Here, it would



A TransInternational DC8 freighter at Muharraq airport, Bahra ${
m in}$ — one of the flourishing export markets of the Middle East

Again, as export finance needs grow steadily larger in these days of high and expensive technology, it is no surprise that the insurance involved finds its way to the reinsurance market, via problems. Lloyd's brokers. Around one half of Lloyd's business by value is now reinsurance business, and it seems certain that this trend will continue, with export insur-ance providing much of the

sattlements are made in sterling and export contracts or overto world currency

Quoted brokers—those who publish accounts -- do not usually break down interest that while the biggest proportion remains in sterling, the One question exercising the dollar section is large enough inflation and of what it other source of insurance, minds of the export brokers is to warrant policy changes described as "adverse claims Export insurance is, almost

of course the outlook for major should circumstances render it experience." ECGD inevitably definition, a combination of currencies. Not all premiums or advisable. This involvement in takes the lead in export insurprivate enterprise by relatively sattlements are made in steri-foreign exchange markets has ance, in that it has the official small brokers or by large bank foreign exchange markets has been another factor impelling seas assets invariably bring an export brokers towards further specialisation for both their elients and their own sakes.

broking, it was some relief for earnings by currencies. It is the broking world to be told generally believed, however, that the ECGD aims to increase its premiums this year to counterbalance the effects of

standing needed for opening the of the ECGD. It has so far proved one of the most effective way in new markets such as

It has at present foreign cur-In view of the many uncer-rency liabilities of eround tainties now looming over export \$2.5bn, and sterling liabilities of around £31bn. But it covers only one-third or thereabout of British exports and this leaves a great deal to be found by the brokers and passed on to some Export insurance is, almost by

Terry Byland

and State enterprise in the form

examples of such a combination

It seems probable that the

private sector will continue to

play a key role in the industry, and the next decade will almost

certainly bring a substantisi

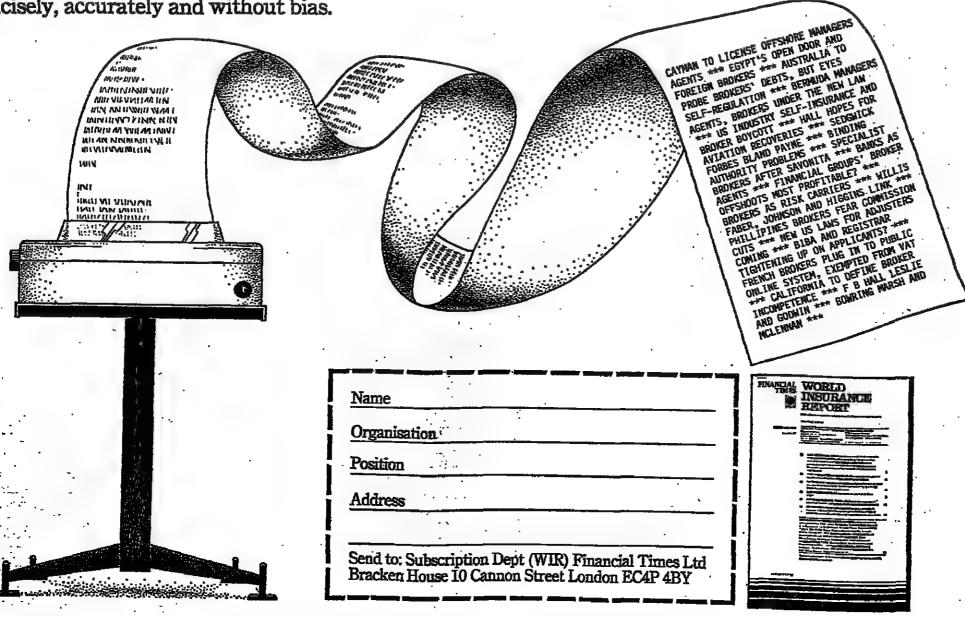
expansion of its contribution in

the whole field of Britis

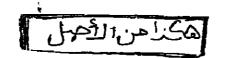
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NANCIAL TIMES - WORLD INSURANCE REPORT



Winning business overseas

FEW. BUSINESSES are as a local insurance broker or go multi-national as that of insurance broker with a local ance broking. In recent years, interest. To purchase a local is labelled by the London market is labelled by the London market as extremely volatile. The both an establishment and a service basis within member accelerating not only as a result achieved it is done mostly at of economic pressure forcing fancy prices with the purchaser also because of technological also because of technological also because of technological accelerating no communications. At the same time any change are developments in communications in communications and the West German of the less-developed countries is labelled by the London market is labelled by the London market is labelled by the London market in less-developed on the reside of the coin, of course, both an establishment and a service basis within member ment "and the longer term. Insurance in the less-developed countries has been adopted which prescribes for intermediaries to trade on the side of the coin, of course, both an establishment and a service basis within member line world is growing rapidly.

In Europe the major insurance intermediaries has extremely volatile. The mother side of the coin, of course, both an establishment and a service basis within member line world is growing rapidly.

In Europe the major insurance intermediaries to trade on the side of the coin, of course, both an establishment and a service basis within member and the longer term.

In Europe the major insurance intermediaries. So a both an establishment and a service basis within member and the longer term.

In Europe the major insurance intermediaries. So a both an establishment and a service basis within member and the longer term.

In Europe the major insurance intermediaries to trade on the coin, of course, both an establishment and a service basis within member and a service basis w

nday March 5 19

The commercial inter-play from one country to another in the insurance broking industry is vast. In the reinsurance business it is never easy to know where one set of national

tion's figures for net non-life premiums written by its mem-bers. In 1977 (figures for 1978 have yet to be compiled) UK their business outlook. This domestic business accounted for need not mean complete nationiums written of £6,54bn. The alisation for the foreign operating broker but it does mean that the complete nation of £6,54bn. Sums written of £5.54on. The
U.S. accounted for £1.27on with
the balance spread between the
EEC excluding the UK (£699m)
and the rest of the world
(£1.88on). These are underwriting results but they still act
as a broad pointer to the geographic balances to be found
throughout the broking indus.

he Middle East

The rush to win business in many so-called developing areas rates and limit his freedom over has at times been almost head-the placement of the available business. Mereover, in many times that many within the industry despair of ever mail brokers of the messives almost daily in the of the newer overseas markets mail brokers of the middle East, South America and other international brokers and other international brokers and other international brokers and

only effective way to establish threat.

envisaged.

a present is either to acquire Much of the present business A transitional directive for

borders ends and another begins ment patience. In general, UK but in the final analysis British brokers tend to forge links with insurance brokers can be seen existing businesses rather than to be handling substantial levels go it alone. Political, as well as of non-UK business.

One guide to the broking dictate the latter course, industry's spread of operation is the British Insurance Association's figures for net non-life

Outlook

Developing countries, especi-

lished legislation which protects their own domestic insurance markets. Regulatory controls The rush to win business in can affect a broker's commission over and State enterprise the Pacific basin.

other international brokers and
f. the ECGD is Penetration of these markets local concerns. In such condiand State enterprise the Pacific basin.

other international brokers and insurance operations and fine EUGD in Penetration of these markets local concerns. In such condimethods of operation of intermercent one of the main emerging areas is not always those margins are squeezed and diaries has proved a far tougher the renewal business is often under task than was originally appearance of the main emerging areas is not always those margins are squeezed and diaries has proved a far tougher than the main emerging areas is not always those squeezed and diaries has proved a far tougher than the main emerging areas is not always those same than the main emerging areas is not always those same than the margins are squeezed and diaries has proved a far tougher than the main emerging areas is not always those same than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and diaries has proved a far tougher the margins are squeezed and diaries has proved a far tougher than the margins are squeezed and

developments in communications. As a result, the geographic frontiers of the major during the broking companies have become progressively more developments in communications. As a result, the geographic frontiers of the major insurance currencies such as the Swiss franc and the West German purchaser in a loss of goodwill, and therefore a loss of business.

In Europe the major insurance currencies such as the Swiss franc and the West German purchaser in a loss of goodwill, and therefore a loss of business.

Local partners are useful in helping to avoid this risk but Local pariners are useful in helping to avoid this risk but the problem is rarely side-stepped completely. The alternative is also risky. Starting from scratch can soak up capital and the early years of poor returns can come to try manage.

The arrangity strong at the expense of sterling, and the past couple of years have seen some of the major brokers move into the Continental markets in a substantial way. C. E. Heath, for example, has recently and the early years of poor returns can come to try manage.

The arrangity strong at the expense of sterling, and the past the Couple of years have seen some to the major brokers move into a substantial way. C. E. Heath, for example, has recently adding in a small French ment national and the past couple of years have seen some to the major brokers move into a substantial way. C. E. Heath, for example, has recently adding in a small French ment national and the past couple of years have seen some to the major brokers move into the Continental markets in a substantial way. C. E. Heath, for example, has recently add the early years of poor and the past couple of years have seen some to the major brokers move into the Continental markets in a substantial way. C. E. Heath, for example, has recently adding in a small French ment of the problem. substantial way. C. E. Heath, for example, has recently acquired a 20 per cent shareholding in a small French broker having paid about £4½m (in cash and shares) for an 80 per cent interest in the large French underwriting agency. French underwriting agency, Groupe Sprinks. Heath also has a small broking operation

> Part of the reason is that harmonisation of the various insurance industries within the EEC is painfully slow in materialis-

For its part, the UK insurance industry has been keen to see all trading barriers against EEC member countries removed ever since Britain joined the Common Market. Brokers in this country looked for complete U.S. scene in greater depth, but it is probably worthwhile to place, say, a German insurance risk anywhere within the statistics. After below covers the U.S. scene in greater depth, but it is probably worthwhile repeating a few pertinent statistics. After the world's premium. EEC. But progress towards this

broker can set up shop in any member country and be recognised as an established operator. But he will still have to abide by the legislative requirement for placing insurance business.

Such legislation may well impose certain requirements on a foreign broker. He may be prevented from writing the business across national frontiers. For example, a UK broker operating within the EEC could not place a risk back

at Lloyd's.

To a large extent, Europe, in terms of direct contact, remains an untapped and unsatisfactory area for the UK broking industry. The industry still tends to follow its traditions Breaking into continental industry. The industry still insurance broking poses sizeable tends to follow its traditions problems for the UK broker. with heavy concentration on the more mature Commonwealth countries, and also the U.S. In recent years the U.S. has really terms of overseas developments following a succession of mergers and trading associailons between brokers in this country and those in North

America. half the world's premium income arises in North America, and the U.S. accounts for roughly a third of total broking income in the UK. That level of business has been rising in recent years following a substantial increase in the volume of insurance business flowing from the U.S. into Lloyd's and the other insurance markets in

American links and business. positions in this country are very strong and to that extent the U.S. broking industry has shared in the upsurge in profit-ability that has been taking place as a result of operating

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U.S. still looks

to Lloyd's

months may have caused consternation and controversy in and around Lloyd's of London. But in the U.S. it is viewed as a significant and vitally necessary stage in the development of the American insurance broking business, for a whole string of reasons.

The most important is that for all its size and resources, the U.S. insurance industry still looks to Lloyd's as the centre of. the world insurance business, offering contacts, business and expertise unmatched elsewhere. The failure of the U.S. to supplant Lloyd's has something to do with the domestic insurance bus'ness's late development: there simply has not been time for a Lloyd's-style tradition to develop. But a more discernible obstacle is government regulation which has bound insurers' hands and prevented them from developing naturally. Ironically, New York City has

just made a belated bid to cut through the rules and set up an insurance exchange of its own. But even though the scheme has now passed safely through the legislative stage after some last-minute objec-So, while U.S. insurers have backed New York's plans, they still see their future with Lloyd's rather than on Man-

Lloyd's attractions have also

20 per cent of a Lloyd's firm. Incidentally, the Americans' resentment of this led the drafters of the New York Insurance Exchange's constitution to bar foreigners from the governing committee. But this provision was turned down by the state legislature on the

grounds that It was "offensive."
U.S. brokers hope to benefit in a number of ways from their closer ties with Lloyd's. Marsh and MacLennan, the largest U.S. insurance broker with revenues of just under half a billion dollars a year—which is in the process of marrying up with C. T. Bowring—has its: eyes on what it calls the "wholesale" insurance market at Lloyd's where business can conducted on a large scale rather than through thousands of-frequently-tiny clients.

Others have stressed their interest in Lloyd's expertise. Alexander and Alexander, number two in the U.S., which is seeking a link-up with the merged interests of Bland Payne and Sedgwick Forbes, wants to strengthen its international presence and know-how, partly to draw in business tions and could therefore be in from new parts of the world, business by next autumn, it partly to offer a fuller overseas probably will be years before it represents more than a drop in the vast pool of world insurance.

Frank B. Hall, the third-largest publicly quoted company to after partially types. pany, is after particular types of insurance expertise, pension

Continental Corporation's increased with the committee's broking subsidiary. Swett and willingness to approve pooling Crawford, acquired a 20 per arrangements between U.S. and cent stake in Harris and Dixon

THE FLURRY of mergers or British brokers, even though with the aim, among others of business pooling, ventures it continues—unfairly the improving its international between U.S. and British insur. Americans think—to forbid representation. According to ance brokers of the last few foreigners to own more than Mr. V. Lee Barnes, executive improving its international representation. According to Mr. V. Lee Barnes, executive vice-president, Harris and Dixon is strong in certain parts o Europe, such as Yugoslavia, the Middle East and Africa, where Swett and Crawford is not. Also the arrangement, he points out, will benefit Harris and Dixon by bringing the Lloyd's partner more business from North America.

Several U.S. brokers point out that the merger wave is not a one-way street. British brokers often are just as interested in gaining a firmer footbold in the American market as U.S. brokers are in establishing themselves abroad. But eye-catching though recent develop-ments have been, they are only part of much broader trends in the U.S. insurance broking business, where competition is extremely tense, and the quest for new business at a high

On the one hand, aggressive industry leaders such as Marsh and MacLennan, whose earnings are increasing at the rate of 15 per cent a year, have not been able to sustain this performance in the U.S. market alone for some time. For the last ten years or so, but mainly in the last five, they have turned to foreign markets for increasingly large shares of their revenues. Initially, they probably entered new markets on the strength of U.S. clients moving abroad. More recently schemes and re-insurance, in though, the quest for foreign its takeover of Leslie and business has become an end in

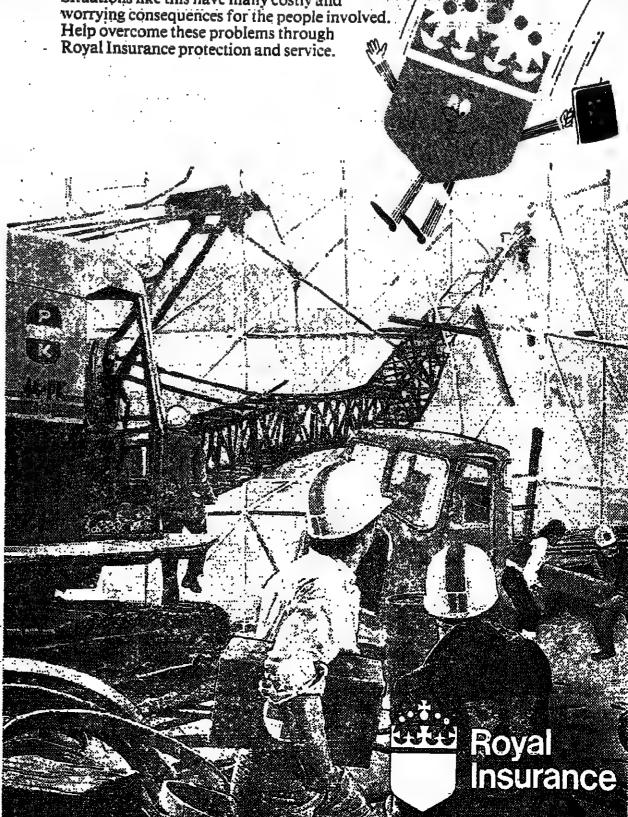
> Rather than forming partner ships or agreements with local brokers, U.S. brokers increasingly are buying up foreign firms or establishing subsidiaries of their own. These units are then expected to drum up their own local business.

In many respects, insurance brokers are following the same trail as the U.S. banks. These started out abroad serving their U.S. customers' international needs. Only later did they set up foreign branches to develop business of their own. Banks also like to stress the geographical and professional breadth of the services they offer and some observers also discern another parallel in the bankers' and brokers' susceptibility to frakion: once someone does it, the rest follow.

However, it would be wrong to dismiss the events of recent months as an example of insurance brokers' follow-my-leader. With Marsh and MacLennan alone accounting for over more than a tenth of all the business at Lloyds, and U.S. brokers together for nearly half (figures estimated by the Americans, incidentally), this is a formidable force, whatever its motives.

David Lascelles

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Shares lose glamour

INSURANCE BROKING shares as though 1978 carnings per subject of Fraud Squad investitue U.S. version of Lloyd's past years of super growth, and have been rated as glamour share, which will be published gations. None of this can help which is proposed for New the expansion will be by no stocks for so long that it is difficult in the near future for most the status of the insurance York. This has run into delays means uniform. cult to believe they are in companies, will be up on aver-serious danger of losing their age by more than about 10 per premium rating. During the cent (an overall figure which past year the FT Actuaries will mask some important Insurance Brokers sector index variations). has suffered its worst setback in relative terms since 1974

The yield on the sector index is actually higher than on the broad indices such as the Industrial Group or the All-Share, and although the average p/e ratio on brokers' shares remains higher than for the market as a whole the margin is now comparatively slender. In 1975 the sector swiftly regained the relative strength it had lost in 1974, and moved back on to its long-term growth path. But it looks as though the sector will find it much more difficult to recover lost status this time.

Problems

Three basic problems have hit insurance broking shares. First. oil-rich Britain no longer has the weak currency which used to make London a cheap base from which an international ser-vice industry could operate. Second, the growth rate of the international insurance industry he in general, and of Lloyd's of London in particular, has slowed, while what might be called the problems of past success have been hitting the insurance headlines. Finally, the supply of insurance broking shares has greatly increased in recent months through the Alexander Howden rights issue and the £60m-plus offering of shares in Sedgwick Forbes Bland Payne. This has led to some technical weakness.

The sterling/dollar exchange rate is a key factor in the profit-ability of the UK-based inter-national insurance broking groups. Much of the international business is denominated in dollars, but a substantial pro-portion of costs are in sterling. Until 1978 sterling could be relied upon to be weak, but now there is little sign of any relief on this score to offset the quite sharp growth which is now evident in labour and other costs here in the UK.

giving a boost to brokers' pro-

At this stage the outlook for 1979 does not look very inspiring either. Among the important insurance areas, marine business continues to be hit by the shipping recession which has led to a sharp slowdown in the growth of the world fleet and so to a flat trend for volume. Aviation presents a different picture, given that the airlines and aircraft manufacturers are experiencing a boom, but even so the pickings are small for insurance brokers there is massive competition for the available business.

It looks, too, as though the United States will be a slightly less valuable source of new business than in the past couple of years. The capacity shortage which has dogged the U.S. market and diverted substantial business to Lloyd's, to the benefit of London-based brokers, has eased slightly. Some of the big rate increases on difficult lines such as liability coverage have been rolled back a little.

Meanwhile, there continue to doubts about the international reinsurance market, which has been growing in boom conditions for some years and attracting a multitude of new and inexperienced underwriters from all round the globe. In recent months this sector has thrown up a string of scandals and disputes which have sometimes left brokers facing had dehts. Even when the losses of large claims by brokers on behalf of underwriters can often leave a hole in cash flow and lead to reductions in investment income, despite the compara-tively high level of interest

Reserves

Some of the larger brokers have established bad debt reserves over the years which have enabled them to cushion short-term problems. But small quoted insurance brokers have become exposed to damaging At least interest rates, both situations—as with Brentnali for sterling and dollars, have Beard, which became embroiled risen sharply over the past year, in the troubles of the Sasse syndicate, and with Christopher fits given the traditionally large Moran, which acted in 1975 as by Lloyd's). At least it does not

brokers' sector.

Meanwhile, a lot of stock has come on offer. The £26m rights issue from Alexander Howden last May did not go down especially well in view of some unexciting profit figures, and meantime the market's hopes that the wave of transatlantic links now being forged between U.S. and UK brokers would lead to a number of juicy takeover bids have been dashed, although Frank B. Hall of the U.S. took over Leslie and Godwin. In several cases, however, complex proposals are being formulated—as with C. T. Bowring and Marsh and McLennan.

The recent massive UK merger between Sedgwick Forbes and Bland Payne, the Midland Bank subsidiary, has actually resulted in a major call for new cash, because Midland has taken the opportunity to liquidate its investment in insurance broking. Some £63m-worth of shares in the merged group Sedgwick Forbes Bland Payne were offered to Midland Bank's shareholders in a rights offer underwritten by the big investment institutions.

This offer closed last week, and has been overhanging the sector for some time. It has marked a significant change in the technical position of insur-ance broking shares. For years, shares of the sector have tended to be tightly held and issued only sparingly, which has obviously enhanced their status. Even when Willis Faber came to the stock market in 1976 it dehts. Even when the losses was through an introduction are not in dispute, the payment rather than an offer for sale. of large claims by brokers on But since then rights issues become increasingly frequent (and not only for the purposes of getting round dividend restrictions).

In the coming year, a key influence on the fortunes of the sector is likely to be the development of the U.S. links. Besides Bowring/Marsh and the proposed tie-up between SFBP and Alexander and Alexander, Minet has announced a possible close relationship with Corroon and Black.

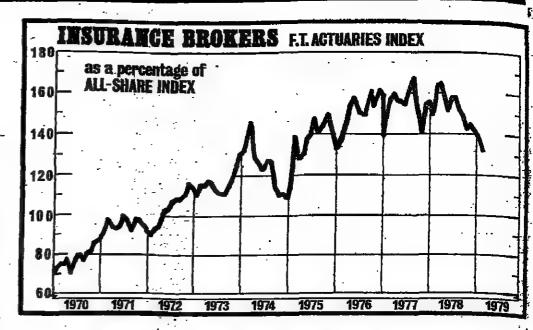
The exact impact of all this pairing on UK shareholders is

and cannot now achieve its planned April 1 starting date. In any case its initial premium capacity of about \$200m annually will be tiny in rela-

market of twice that. growth may be only of the order companies in the sector of 5 to 10 per cent in 1979, very sluggish by the standards of the

Transatiantic tie-ups are not

all milk and honey, as was shown recently by the firstquarter results of Reed Stenhouse, the Canadian-based side tion to a total U.S. insurance of Stenhouse Holdings. There market of \$80bn and a world was a sharp setback, aggravated According to stockbrokers
Kitcat and Aitken, who
specialise in insurance broking
stances the advice is to go in sterling terms by the weakshares, the sector's growth has for the larger, safer groups, not gone completely, but caution such as Bowring or Sedgwick, is advised at present. Earnings rather than for the smaller



Complexity in life assurance

THE INSURANCE broking pro-fession is showing the strains of the recent big increase in the

complexity of life business. Brokers specialising in life business now need to be allround financial planning experts capable of advising on tax and investment as well as life policies. Such a service not only swells brokers already uncomfortably high overheads but exacerbates the existing difficulties of many broking firms in finding enough qualified staff.

The increasing sophistication of the service now demanded of life brokers has also raised questions about how far it is right to use artificial devices in exploiting life insurance or pensions to reduce clients' tax. The trend towards complexity

in life assurance reflects the generally increased levels of marginal income tax rates for better-off and particularly for people with significant investment income. Brokers' interest in tax

avoidance has been increased by the way the structure of the market is changing; with middle income groups badly squeezed far from clear, however, since there are not to be full takeover bids for the UK companies and at the top. Most wellestablished brokers are happy
the lower end of the scale of their liquid balances. a broker to reinsurance trans- appear that there is any short-market-manual workers whose All the same, it does not look actions which are now the term competitive threat from pay has in recent years

housing costs and other outlays—to the industrial offices and the direct selling linked-life

So brokers are increasingly forced to concentrate on the top end of the market for their business. Clients in this category are more likely anyway to appreciate advantages of brokers compared to direct selling offices.

But to survive at the top end, a broker must invest heavily in good staff and back-up services and must remain constantly on top of the information explosion.

Demands

The demands on insurance brokers have changed in the tax planning field so much recently that there is now, in the view of the British Insur-ance Brokers' Association, a pressing need for a revamp of the Life Offices Association's the fact that many drop out in commission structure. Brokers having contributed almost. have long advocated the need for "differential commissions." euphemism for a two-tier system where brokers would be rewarded more handsomely than reckon, makes the need that much more preent much more urgent

increased much more than their chairman of the BIBA sub-higher commissions at BIBA's believe, for brokers to exercise committee on life commissions, first conference last autumn.
one galling consequence of the Among leading people from the
present commission structure is insurance companies who gave that agents can often afford to qualified backing for the case give away some of their commission to their clients. Some tive of the Norwich Union and sharp-witted clients even go so far as to get a broker to spend weeks setting up a scheme and then just before the deal is review the commission question clinched demand a share of the next month—but brokers would commission. If the broker does not give in, they place the

had to do the groundwork.

days before a new recruit is legally responsible for the pulling his weight. Mr. Cockactions of the agents who sell croft reckons that it now takes their policies. nothing to the business. A big broker will be lucky if a newly qualified salesman stays for more than four years, so trainrewarded more handsomely than solicitors accountants and other agents; the extra complexity of over a short period. Finding so make the relative advantages their work these days, brokers that the stant headache and a heavy greater). drain on cash-flow.

was Peter Sharman, chief executhe then chairman of the Life Offices' Association.

The LOA is planning to be surprised if any significant changes were made.

business with an agent who can John McKirdy is pinning his well afford to share his com-hopes for a better deal for mission—because he has not brokers on the Department of Trade's commitment to tighten Many big broking firms are up the rules for life insurance worried by the problem of agents. The department's think-training staff. According to ing, outlined in a discussion Richard Cockcroft, of Towry paper a few years ago, is that Law, it takes about a year these

A tightening up of agencies would benefit prokers particularly if each agent was restricted to acting for no more than one company (this would further limit the range of

The pressure towards greater much more urgent

Brokers got some encourage- concentration on tax avoidence
According to John McKirdy, ment for their campaign for has created the need, many

a degree of self-censorship is dealing with the more blatants ortificial schemes. Personalised bonds, where a controlling director can shelter his interest in his business under the scheme, have been one example of the sort of arrangement which has come in for criticism Growth bonds which rely partly for their high returns on the relief for regular insurance premiums have also been criticised, particularly where they are written to mature some offer the fourty-very transfer. after the four-year tax clayback period has elapsed.

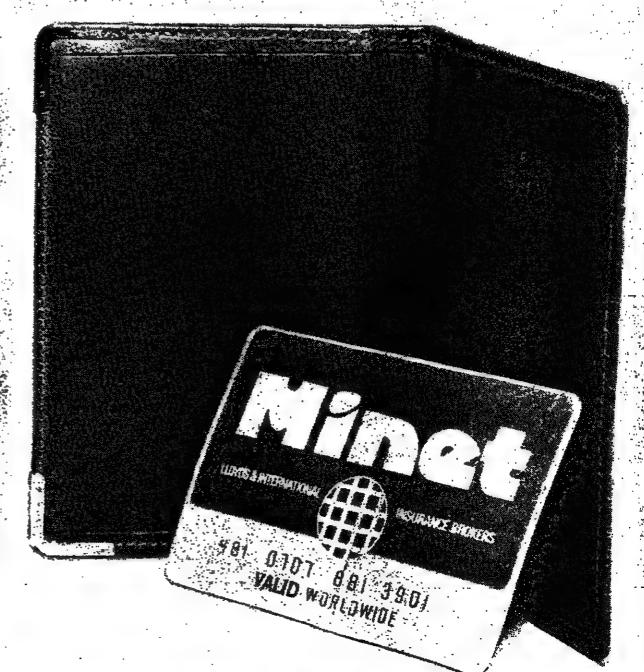
The objection to schemes is that they use the ter privileges of life insurance for purposes which were use intended. If they are exploited on a large scale, attempts by the Inland Revenue to block the loopholes could lead to a seven tightening up of the rules is the detriment of many policy holders whose right to the privileges would not otherwise be endangered.

The solution is self-policia by the main representative organisations of the industry the British Insurance Broken Association and the Life Offices Association; but so far neither body has shown much anthe siasm for the idea.

Eamonn Fingle



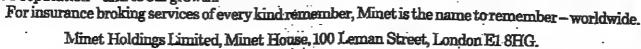
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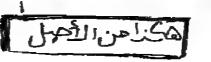
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Giselle

by CLEMENT CRISP

The Paris Opera's version of pletely organic reading: from selle does not amount to very the husk of the dead Giselle ich. A traditional staging by must emerge the spirit of proicia Alonso, it seems to owe tective femininity that is the nething to the old American llet Theatre production in extension of the character ich Alonso delighted us, with springs into existence at addition of such dubious Myrtha's command with a fierce iches 25 a wili appearing in vigour, and the blanched, almost t 1 when Berthe recounts the end of the night dancers, and ne peasant boys choosing the est at the start of Act 2 for game of dicc. In matter of coration its designs by Thierry squet are rather claustroobic, locking the individual wer of the earlier Carzon vern, and even more so the autiful appositeness of the old

nois settings. Alonso has produced some vel and beautiful groupings the wilis, but like every other estern production i know this celle misses the artistic nerence, the feeling that permers, stazing, design are all pired by a common love and preciation of the Romantic inner, which makes the Kirov esentation (recently in Paris) uniquely beautiful.

The Kirov comparison was all nore obvious since Natalya ikarova was the guest Giselle two performances at the end last week, in partnership with o Opera's own Michael Denard, d their joint artistry threw o relief the superficial ture of the production. It is the particular distinction

Makarova's interpretation in its 10 offer a reading which both of the ballet's acts a single span of understand-;, of emotional momentum. e suggests very early on in t I that Giselle has some comshension of her fate, that, ined, the action of the drame pre-ordained and that Giselie ist be aware of that fact. It a matter of eyes suddenly ring upwards, glimpsing her itiny as the pangs of heart wase are felt in Act 1. It is exquisite simplicity, the cost transparency, of the vile girl's character as she gests a flower test rather than oath in testimony of precht's love. And it is

elle's hypnotised attention on the as she tells of the will gend, the girl seeing her own the progress of the drama in first act, which culminates

a mad scene of exceptional e (like the Chosen Maiden Rite, Giselle is fulfilling her tiny), is carried over quite tarova's is, in effect, a com- cipals' needs.

wili-Giselle. This spiritualised transparent figure seems no more than animate mist sustained by her realisation that she is now more truly Giselle than ever before.

The emotional tope of the second act, which I saw on Thursday, was marvellously consistent. The dance itself, incomparably soft, conveyed emotional depth without stress. Giselle's love for Albrecht seemed pinpointed at the end of the udagio when Makarova hovered over the kneeling Albrecht; a flawless, eternally-held pose in which Makarova seemed to lean on the night wind for support, told everything of Giselle's ghostly nature.

After the moment of joy when Giselle realises that Albrecht has been saved by the rising of the sun, the concentration of the character seems to fade, so that the Giselle who returns to the grave (only, in this staging, Giselle has to make the most graceless exit on record by walking over her tomb into the mundane shelter of the wings) is no more than the shadow of a ghost already dissipated in the morning light.

A performance of such rich ness, of such sustained fantasy and poetry, would not have been possible without the ideal partnership of Michael Denard. I have reported previously on Denurd's exceptional gifts: his ability to convey feeling through the beauty and nobility of his physique made his Kurbsky in Ican the Terrible and his Robert de St. Loup in Petit's Les Intermitiences du Coeur portraits of great allure. His Albrecht is a charming, unthinking youth who cannot resist the delicacy. the shyness and the profound appeal to his sympathies made by this Giselle. Protective and adoring in Act 1, Denard yet manages to indicate a haunted awareness of his own dilemma. In Act 2 he is noble in manner as in donce, and an exemplary partner.

The only disappointment in this Makarova/Denard interpretation came from a lack of rapport with the conductor. Steward Kershaw, whose tempi urally into the forest scene. were at odds with the prin-



Neil Simon off key

by FRANK LIPSIUS

subject is periodically evident

on stage. The Klein character,

Vernon Gersch, sings, "She's a

lot to deal with," and discusses the competitiveness she brings out in him. As Sonia Walsk.

of perceptiveness.

collaborator.

disembodied voice calls back: There's a Danish, but I'm using it as an ashtray."

The appearance of a new Neil Simon play raises expectations that all the lines will be this sharp. The expectations were all the higher this time, with the knowledge that Simon would be collaborating with a celebrated musical team whose relationship formed the basis of the plot. Simon had his subject at hand to provide the inspiration as well as the music.

The play resulted from Simon's working with composer Marvin Hamlisch to turn The Gingerbread Lady, one of Simon's least appreciated plays, into a musical, During the collaboration, Hamlisch de-scribed his romantic entanglement with Carole Bayer Sager, a pop lyricist who had a hit with Leo Sayer's " When I Need You," Simon abandoned the gingerbread lady in favour of the Hamlisch-Sager story, now called They're Playing Our Song. which he developed us a twocharacter musical.

origins is in the strength of the female part, played with zest

In a scene in a recording and fiair by Lucille Ball's bought from staged musicals, studio, a hungry composer calls daughter, Lucie Arnaz, She has Simon economises plot down to out to the engineer asking if the killer instinct, strutting a bare minimum, making the daughter, Lucie Arnaz. She has Simon economics plot down to the killer instinct, strutting a bare minimum, making the there is any food around. A round the stage with the perfect collaboration work toward the combination of caginess and goal of providing "Barbara" deference. Robert Klein as her with five new songs. When the quarry has the unfortunate role collaboration goes produce a of a Simon fall-guy. He lumbers number-two record, "I Still Bejust out of reach with an lieve in Love." sung for some unrelieved pained expression, reason in the disembodied voice When he sings the plaintive cry. not of "Borbarn" but of Johnny Mathis, the running joke comes "If She Really Knew Mc," his diffidence at least has the air to a climax with Gersch telling Sonia, "Now you can buy all What attracted Simon to his the costumes from Arnic.

The most serious flaw is that the relationship flounders not on the tensions between two creative people but on Sonia's unwillingness to abandon Leon. her former lover The thome, "They're Playing

Arna exudes talent with her Our Song," has a catchy tune that is well arranged for its disco production number. "If sharp wit and professional demeanor, combined with a flair disco production number. "If (S)he Knew Me" has a good line or two, but like "Fill In the Words," it goes astray from the initial idea that might have been more fully developed. for being a day and 20 mirrates late for an appointment with her Most of the time, though, this is an ordinary boy-meets-girl

The least reservation can be expressed for the sets and propicture-window view of Central

Welsh National Opera

buaks.

New Theatre. Cardiff

TThe Welsh National Opera is

on the verge of a Turandot with Run Hunter (March 13), an event that promises excitement.

and Salurday to two other new

productions of the season was oddly disconcerting. The Turn of the Secret, the sixth Britten

opera to be added to the com-

pany's repertory, was boldly and

successfully essayed, but with

a producer's superfluous gloss.

The Magic Flute was clumsily

produced, badly spoken, slow-moving, indifferently sung— quite a blot on the company's

Dramatically speaking, what

stuff-and-nonsense. Ghosts as

projections of human fears are

theatrically tolerable, but not

W. B. Yeats. An embarrass-

ment, too, is the opera's cumber-

some double prologue, featuring at first a narrator and then the

Governess herself before her

arrival at the secene of the

haunting. Yet, such is the musical intensity of the score, a

fine performance of the Gover-

from the other characters can

ranked with this portraval of

carry the evening.

story shoved into a Simon strait-jacket. When she does appear a day late, she rushes jections by Douglas W. Schmidt into the studio and rushes out and the costumes by Ann Roth. Thankfully Sell Simon aban-There is the Simon running dons his one-set format and la well-rewarded in a large variety joke, which eventually tires. This one allows Sonia to dress of scenes, starting with a in a variety of unusual secondhand clothes, which she says she Park done in chrome.

Royal Academy of Music

L'Etoile by RONALD CRICHTON

again in search of a lavatory.

"Opera librettos are always trickle away, while the equally but missing some of Chabrier's terrible "said Chabrier, perhaps few chances for modern paraltels would look after themselves letting the pulse go slack (in too sophisticated to be a sound judge. He was also too impatient and possibly too lazy to wory away at librettists as the real pros do. For his comic opera L'Etoile now being granted one of its rare London appearances by the Royal Academy of Music (further performances tonight and to-morrow) he accepted a stinker of a text by Leterrier and Vanloo. At least, it seemed so in this English version by Roger Savage. I haven't so far collected the French original: John Lewis Partnership in their revival some years ago made a tolerable entertainment out of

So L'Etoile, though a musician's delight, is a producer's headache. Michael Geliot at the RAM updates the story (about a dotty, horoscope-ridden king intending to marry a princess from a neighbouring state who sensibly prefers a young pedlar she meets ont he way) to a vaguely contemporary, vaguely

Festival Hall

just as well in a never-never, not necessarily expensive, Gorgeous East.

Mr. Gellot has however rehearsed his student company thoroughly in the way he wants them to go. The dumbfounding dialogues trip as nimbly off their tongues as the chorus trip on and off the stage of the Sir Jack Lyons Theatre. Two of the usual fauls of crypto-professional comic opera are thus sidestepped. But there is a curious discrepancy in this production between speed and pace. The absence of the latter fatally allows one to stop and think.

Fortunately the music saves the situation again and again. Chabrier put his fingerprints on every page—the harmony that threatens to become too spicy until corrected by modal flavour. the tunes full of tenderness that take unexpected turnings and prolong pleasure by extending the phrases beyond the expected esult is a mess. Such chances players being encouraged to as the book gives for fantasy keep down and help the singers) the comic side.

letting the pulse go slack (in the duets and in the quartet that is really a double-duet). Mr. Bedford underpointed the Green Chartreuse number, a delicious grand-opera parody where Chabrier rivals Offenbachathis own game—otherwise there is less offenbach than Gounod, and less looking back than forward to Messager and Hahn.

In the breeches role of Lazuli the pedlar (of cosmetics, as it happens). Lesley Garrett gives a performance of great promise. Miss Garrett has a winning way with the dialogue, even with this dialogue, her singing is clean and true and assured. As King Pufft, Peter Crowe builds up a competent comic sketch where something more extravagant is carry the evening.
Such a fine performance—
indeed a great performance—
we had. I doubt if anything
Felicity Lott has done, in
Mozart or in Prokofiev's War
and Prace or in Smetana's The
Bartened Reide will come to be

present while the protherhood
discusses his fate, Sarastro
saunters on to watch the ordeals,
and a priest swills wine while
similarly watching. Sarastro
exhorts the priests with a
gesture to "follow my example." needed. Jill Washington sings sweetly, a little palely, as Princess Laoula, Paula Bott as her duenna has a voice that should develop interestingly. Generally length. Steuart Bedford con-ducted, bringing out the tender-tues one would be unlikely to Gulf-state setting. Visually the ness (it was good to hear young yet from seasoned French artists with the experience to salvage

Young Vic

Class Enemy by B. A. YOUNG

Eilene Hannan as Pamina In 'The Magic Fluto

by ARTHUR JACOBS

Through sheer vocal quality,

but alas through clear and mean-

ingful diction and an acting

been hers, she communicated

the emotion in every bar. The

late, much-admired Jennifer.

Vyvyan made this part her own,

and now Miss Lott has suc-

The production by Adrian Slack (shortly to become direc-

tor of productions for the com-pany) followed his Wexford

Festival version of 1976, with

flat, uninteresting scenery by David Fielding. Where Britten

himself employed a single tenor

Quint's role, Mr..Slack insists on

separating them; even more oddly, he insists on showing the

Governess's visions of the ghosts

the children. But since the

If this quirk of Mr. Slack's

fails to spoil a fine performance

(the opera is being taken on

the company's coming tour of

Welsh and English centres), the

case of The Magic Flute is sadly different. The singing is not

strong enough to overcome the

production, in which Tamino is

present while the brotherhood

Baricred Bride, will come to be which they do not, and earlier this Australian soprano has

we bear repeatedly of the "lock

should be the same?

Meanwhile a visit last Friday ability which has not always

Britten has made of The Turn for both the Prologue and of the Screw seems to be mere Quint's role, Mr. Slack insists on

ghosts who appear without as different from those seen by humans present, who hold con- the children. But since the

versation together and quote ghosts "exist," surely the visions

ness's role with strong backing ineptitudes of Göran Järvefelt's

the woman striving by love to affixed to Pagageno's lips when out for.

ceeded her.

rescue the possessed children, it is seen to be not a lock but

a gag. There are long, unfilled

pauses and almost no comic edge, not even in Russell

Smythe's decently sung Papa-

geno. There is a poorly

imagined stage design by Carl

Friedrich Oberle and a clod-hopping translation of the lyrics

by Michael Geliot which mis-

rhymes "wisdom" with "king-dom." "vengeance" with

"repentant." The Three Ladies. who do not blend well, sing the word "adieu" in French fashion and miss the

traditional English rhyme with

"you:" the Boys (real boys) made many errors of pitch. A

wobbly-toned Speaker and almost as wobbly a Sarastro were not adequate, while

Margaret Haggart displayed the Queen of the Night's notes but

John Treleaven, who has

sung a noted Pinkerton in the

company's Butterfly, has a heavier voice than is advisable

for Tamino, and missed the lyric

grace of the music. Somewhat

desperately I clung to the same

musical qualities displayed by

the conductor. György Fischer,

to the assured and capable

Monostatos (Derek Barnes) and

Papagena (Mary Davies), and to

one distinguished performance

-the Pamina of Eilene Hannan,

touching especially in the lower

notes and soft ending of "Ach. ich fühl's." Since her Cunning

Little Vixen at Glyndebourne,

not her venom.

Risky, I'd have thought, to reveal their pathos. Sometimes on the theme that "the blacks revive Class Enemy while the he overdoes it, when he sudmemory is fresh of the Royal denly reveals that the one basically good-natured boy "Skylight" Clonathan Moore) has both parents blind, though the actual lines in which this Oxford Playhouse team under Oxford Playhouse team under fact is told are profoundly Nicolas Kent run it close all the moving. Two hours of dialogue Nicolas Kent run it close all the same. Where they lose points is in their too visible dramatic skill, not quite an adequate substitute for the remarkable spontaneity of Anna Scher's boys at the Court Mark Wingett as the tough bully-boy "Iron," in particular, steams with passion a little too relentlessly all the evening, though what he does he does with alarming con-

The six boys of Form K1, left alone for an afternoon with no one to supervise them, let alone teach, are monsters of vicious irresponsibility beside whom Tucker Jenkins of Grange Hill would seem like Little Lord Fauntieroy. It is Nigel

in which almost every word is

qualified with an expletive do not sicken one of these boys. On the contrary, they inspire, or they should inspire, a feeling that their failings arise not so much from innate evil as from lifelong neglect even by their teachers.

Wr. Williams's ingenious

scheme is to have each boy give a short lesson to pass the time. The first one (Peter Lovstrom) naturally chooses sex as his subject, but having quickly ex-hausted the basic biology relapses into a very funny story about a gorilla. The next (Keith Jayne) gives a sad little talk Fauntieroy. It is Nigel on window-boxes; the next all its humour and its violence, Williams's triumph, however, to (Gary Shail) grows hysterical the play wrings the heart.

done it." The friendly black boy "Snatch" (Leroi Samuels) shares his private expertise at breaking windows, and "Skylight" demonstrates how to cook bread-and-butter pudding

Before "Iron" offers his piece he has already made an angry attack on everyone who wields discipline, down to traf-fic-wardens, and begun the punch-up with "Skylight" that has been looming all evening. The two have a vicious fight ably directed all over the stage: It is not surprising that when "Iron" gives his lesson it is on self-defence.

From these little cameos the boys' characters emerge with a truth that generated in me a feeling of fierce indignation that there should be so little hope in the world as we know it of their ever growing out of their ignorance and apathy. For



Natalya Makarova as Giseile

Palintropos by MAX LOPPERT

The prospect for new music inspired, the composer's proset against sustained string at the Festival Hall, usually so gramme note told us, by the notes of differing lengths and gloomy, brightens a good deal change of colours observable in the deep shine of gongs, the heat this month. In four successive Friday concerts, the first of Orchestral Concert Board promotes the Landon premieres of works by Halffter, Maxwell Davies, Sinopoli, and John Tavener. But the first light, a beam of Greek sunshine, was in of Birmingham Symphony
Orchestra, which assembled
Lawrence Foster, Stephen
Bishop-Kovacevich, and the
CBSO Chorus down South for brave readings of the prologue from Boito's Mefistofele (bass soloist Willard White) and the Verdi Four Sacred Pieces, and for the second performance of Tavener's Palintropos.

the course of a single day on the island of Patmos. The inspira-Friday concerts, the first of tion is clearly reflected in the them this week, the London music. Four linked sections. divided by "musical columns." have as their sole preoccupation the slow mutation of colour, and are contrasted solely, in terms of surface activity. The title means "turning back;" the form, highly fact cast last Friday by the City repetitive, is not actually palindromic, although Tavener's end is, in reverse order, his beginning-a 12-note string chord. quietly wound up at the start and wound down at the close. gives off a shimmer that sets the tone of the piece.

The influence of Messiaen is too obvious to require underlining; but instead of bright, assertive bird calls, the music is filled Palintropos, for solo piano, with Tavener's own already brass, percussion, harp, celesta, recognisable store of sounds, and strings, manifests, like so glittering, hieratic, exotically much of Tavener's music, the piled up. There are beautiful highly decorative elaboration of sounds in Palintropos. In a basically simple idea. It was gently meandering piano solo

haze of repeated-note tremplos is a beautiful sound-invention. Beautiful, too, the conjunction. in the Apotheosis (the fourth and final section) of stately brass chords, hand-bells, and a wide-ranging piano part, all independently active above the the sustained string chord. Elsewhere, and rather too often, there is a suggestion of

automatic sound-piling, of the Tavener mixture, as before despite the new ingredients, which is a more reasonable criticism to be made of the piece than any concerning its static, repetitive, or slow-moving aspects. The plane sele was precisely and vigorously attacked by Mr. Eishop-Kovacevich; the effect of the performance as a whole was confident, although from my seat balance was some-times a little unsure, and the important contribution of the celesta had often to be heard with the ear of faith.

SOCCER BY TREVOR BAILEY

IPSWICH, who defeated left-hand member of their mid-prospect. Arsenal in the final at Wembley field trio. And once Thijssen, The two with such style, experienced a form and enthusiasm at exactly the right time, now suggests

to further honours. They are in a purple patch. having beaten Everton at Goodison Park, gained a further two points away from home at Derby, and swept Bristol Rovers out of the FA

Suffolk club met Nottingham Forest, unquestionably one of the strongest teams in Europe. A splendid match provided ideal preparation for perhaps the most vital seven days in Ipswich's history, as their next two home fixtures are against Barcelona in the European Cup Winners' Cup on Wednesday, and Livernool in the FA Cap next Saturday.

Although the Forest game ended in a 1-1 draw through with his team's performance. two untidy goals. Ipswich Mariner had led his forward created the more positive scor- line with the dash and the tight ball, and just as long for his which O'Neill came up in suping chances, and played with control of an international class colleagues to find him port of his forwards, and the

skill and zest.

their other signing from Hol-

Both Dutchmen are essentially creative half-backs, so bringing additional variety and flexibility to the attack. Since the days of Viljoen the club's midfield has been over-populated by busy, scurrying harriers who have depended too much on physical effort and the short quick pass

for the first-time return. The bandful of foreign players in English League football are adding something to the game, but a really large influx would inevitably have an adverse effect on English football, as has

After the match Bobby Robson was understandably well pleased

porters, has become fully won the game of Shilton had not plenty of motivation. What must acclimatised they should become been at his most agile. Woods be doubtful is whether he will even more effective and enter- caused many problems as a ever be worth £1m even if inhard-shooting, roving winger.

> their League championship, which now seems destined to return to Anfield. Although not scoring as frequently as last" season, they must be favourites for both the European Cup and the League Cup.

Brian Clough's film signing a target man. Trevor is very dependent on the service he unimpressive first full game for his new club. Trevor seldom unexceptional. touched the ball, was uncere-moniously dispossessed when he did, and within five minutes the

home crowd were happily singing "What a waste of money." Francis was not as effective as his partner, Birtles, or his opposite number. Marriner. It will probably take him at least

former. After several years The two youthful centre-backs with a team whose main conproved hard and uncompromis- cern was first division survival, flation were to treble in the next

Forest are unlikely to retain three years.

Forest will never get the money back through the turnstiles

As a slightly-built member of a double spearhead who possesses neither the height nor the strength to be employed as

Could it be that the goal famine experienced by centrefurward Woodcock, whose place Francis has taken, was largely due to the departure of the tall Withe, off whom he fed so well

last year?

There was much to admire about Forest, including their six weeks to settle down and well organised defence, the ever to know where to move off the busy Gemmill, the pace with centre-forward, while his young. Instinctively. Inevitably he must confusion Robertson caused The revival clearly owes much forceful partner Brazil, though prove a considerable asset, down the left flank, especially to Muhren, the calm, cultured still rather crude, is a fine because he is a quality per- in the first half.

UGBY BY PETER ROSSINS

Disciplined pack shocks France Neary and Rafter matched noon, to the despair of Haget defence in Paris, were quickly

. Twickenham game against Rives in speed to the ball and and Maleig. re arguing only about the was quite heroic.

argin of the French victory. England, thanks to a hermetic Smart Strong fence, won a momentous tory by 7-6. Seldom does rm on the same day, but d what a marvellous transrmation there was in England.

The committment was total. was the pride. It would be rping to be too critical, cause victory against France Wales is a prize indeed. I tional player and had a lot el delighted for the players, e selectors-who have taken ch a hammering-and for the ach, Peter Colston, whose era av finish this year.

The match was won essenick was disciplined in all lases. There had been doubt

ance that England's much- Scott was only fractionally This French second row could When France did have the iligned XV could have any behind them. These three not give enough support to the ball, Dodge and Cardus (a great pirations to winning the home choked innumerable French props, Vaquerin and Paparem- success in his first international) ampionship. The pessimists attacks. Their defence at times borde, to dislocate the English came up ruthlessly. Hignel

ery player in a team hit top vincing as a No. 8, had a mag- changes were bitterly contested nificent game and played most sically that is what happened unselfishly. Neary has rarely played with more strength, and the success of the back row was germaine to England's victory. They may have been slower than Rives in support, but then the French captain is an excepmore to support.

Technically, then, England demoralising to the French. were vastly superior in the If primarily involved in loose, where Smart, the new defence, the England threecap, burrowed prodigiously, quarter line functioned much Beaumont and Horton were because the England gigantic in the provision of a Scotland. Slemen again made was disciplined in all safe platform, and Wheeler and much of nothing, and Hignell.

out the mobility, but England rrance varied their interest. Samulated the attention of the They played the more ere able to get to the breakman more quickly and in region. Horse from Toulouse. England had several crises to their circle of admirers, yet read them well. He and Beauface. But Joinel and Rives, who gave away a lot of silly most had a masterful after had punctured the Welsh penalties.

Scott, hitherto never con- Rafter. The hand-to-hand exand eventually won by England. Let off

Another key factor was the vast improvement in England's half-back play. Kingston's service to Bennett was reliable and Bennett, apart from early eccentricities kicked with great precision sending France on the retreat time and again. His length of kicking was utterly

Pearce were self-sacrificient. with his intrusions into the line, France varied their line-out commanded the attention of the

more satisfactorily than against

tackled.

scrum consistently. If France brought off the save of the wheeled then Scott protected match with a brilliant tackle on Kingston with intelligence and Costes and his final reliafinesse, aided by Neary and bility was of the utmost value.

The worst moments for England came near the end, when they were leading 7-0 through a penalty by Bennett and a superbly taken try by the same player. In desperation France began to run every position, and Rives goaded his pack into frenzied efforts. France did score a most inventive try eight minutes from time, by Costes, and Agruirre converted it to heighten the

France will rue the fact that Aguirre missed four penalties. They played the more

Ipswich hit form at right time

bleak, barren period early this land, who was making his first ing, while Wark, a goal the new challenge, plus Brian season, but, having rediscovered appearance before home sup-conscious half-back would have Clough, will supply Francis with they could well be on their way

Cup.
On Saturday this friendly

already been seen in cricket,

FINANCIALTIMES

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Monday March 5 1979

An election soon

IF MR. CALLAGHAN, the home the "yesses" scarcely out-Prime Minister, is a brave and weighed the "nos," and whole prudent man, he will now be areas of Scotland voted solidly preparing for an early general election. For whatever else may be said of the results of the referendums in Scotland and Wales last week, there can be little doubt that they make the Government's survival more difficult, Mr. Callaghan may yet, get by on a series of narrow votes and with the support of some of the minority parties, but the chances of his being brought down on a straightforward confidence motion have risen substantially.

Platform

At the same time, it is not as if the Government has any major legislative programmes left to introduce. The two issues that have dominated this Parliament have been incomes policy and devolution. On the first the Prime Minister may have suffered a defeat by the rejection of the 5 per cent norm in the current round, but he has recovered some ground from the agreement with the trades unions which the Government always said it wanted to reach. The Concordat, as it is sometimes called, is a perfectly reasonable platform on which to fight a general election.

As for devolution, the Government is entitled to say that it has tried hard. Not so long ago, the demand for special treat-ment in Scotland and Wales was widely recognised as one of the key elements in British politics, and was accepted as such even by the Conservative Party. The attempt to meet the demand has now been over-whelmingly rejected in Wales and accepted in Scotland by barely one-third of the electorate. Yet it would be wrong to blame the Government for its efforts. There was a problem, and the Scotland and Wales Acts represented the best that this Parliament could do to

What would be entirely wrong, however, would be for the Government to seek to press ahead with the Scottish Assembly despite the referen-dum result. There is no realistic way of interpreting that result except as a defeat for the kind of devolution proposed. The Scottish electorate was fully informed of the issues at stake and indeed had been bombarded with publicity for weeks. But be lost, but if Mr. Calleghan in the end nearly 40 per cent does not pre-empt, it deserves to of the voters decided to stay at be tried.

against. That is not a basis of which to try to build major constitutional change.

It seems likely that the Government would be defeated in such an endeavour, even if it were to make the attempt. It is not only the Labour antitheir support; there are other Labour MPs who would think twice about backing a cynical exercise in remaining in power for a few more weeks at the price of appeasing the Scottish Nationalists. Mr. Callaghan could try it, but it would be a squalid affair even if he were to pull it off, and certainly that is how it would be seen in the country.

The wiser course for the Government would be to accept that devolution as proposed by this Parliament had been rejected and to promise to think again. There is nothing dis-honourable in that and, in fact, a wise Conservative Party would be applying its mind to the same subject, for there is no reason to believe that the prob-lems posed by Scotland and Wales have disappeared for good.

Yet, on devolution as on incomes policy and the wider question of the economy in general, one cannot escape the ment has come to the end of its tether. It can stand on its record and think about the future. That means preparing for a general election in the next few weeks. The alternative is to try to soldier on with the support of this or that minority party, but with nothing left to promise and always the risk of being ignominiously brought down in the House of Commons. Such a state of uncertainty cannot be good for the country; nor would it necessarily help the Labour Party.

Censure

As for the Conservatives, their own best course now would be to wait a week or so for Mr. Callaghan to declare himself on the referendum results. But if the Prime Minister then still ducks an appeal to the country, the censure motion need be simply stated: "That this House has no confidence in Her Majesty's Government." It could does not pre-empt, it deserves to

The same again in Spain

THE FOLLOWERS of Sr. Adolfo
Suarez, the Spanish Prime
tion as the third biggest party,
Minister, are understandably
pleased with the outcome of last
Thursday's general elections, the
Thursday's general elections, the first to be held under Spain's new democratic constitution. With considerable justification. they see the vote as endorsing the moderate but reformist line that Sr. Suarcz has followed in steering the country through the difficult aftermath of dictator-ship to full parliamentary democracy. The Prime Minister's centre-right party, the Democratic Centre Union (UCD), may not have succeeded in gaining the absolute majority it had hoped for. But it has consolidated its position as the largest single Parliamentary grouping, and Sr. Suarez can now look ahead to at least four further years in office if he plays

his eards correctly. Socialists

The main cause for satisfac-tion at UCD headquarters has been the failure of the Socialist Workers' Party (PSOE), under its leader Sr. Felipe Gonzalez, to make the major gains that many commentators and opinion polls had forecast. On the eve of the elections last week, it was still being confidently predicted in some circles that the PSOE, the main opposition party, would catch up with or even overtake the UCD. But the most striking aspect of the results was the Socialists' inability to make any marked changed in the overall balance of power.

In part at least, this must have been due to St. Gonzalez himself, who has failed to convince the country at large that he is a credible alternative well find difficulties in govern-prime Minister to the suave Sr. ing without a majority in the Suarry. But the principal reason face of stepped-up opposition. has undoubtedly been the He has not yet experienced the PSOE's tame performance as, rough-and-tumble of totally unat least theoretically, an opposition party over the past 18 months. In many ways, this has been to Sr. Gonzalez's credit. By giving their support, together country's unity-most ominous with that of the Communists, to Sr. Suarez's minority Govern- for the militant left in the ment, Sr. Gonzalez's Socialists Basque country. Next month. have helped to ensure a smooth transition to democracy in what might otherwise have been an explosive period. But, in doing so, they have failed to establish any clear distinction between entrenched problems of inflation their own policies and those of and unemployment that he Sr. Suarez. They are in danger promised to solve in his election of allowing the Communists, campaign.

If that were to happen, the scene would be set for the Com-munists to follow the path already successfully trodden by their comrades in Italy. Indeed, Sr. Santiago Carrillo, the Com-munist leader, has already

hinted at a Spanish version of the Italian "historic com-promise." On the day that the election results were announced last week, he suggested that Sr. Suarez should continue with a minority centre-right Government that would stay in power by dint of only pursuing policies acceptable to the Left. It can only be assumed that Sr. Gonzalez, aware of the danger, will conduct a much more vigorous opposition to Sr. Suarez in the new Parliament. A greater degree of confron-tation is in any case likely in the months ahead. Sr Suarez has clearly indicated that he does not intend to renew the which he was prepared to nego tiate agreed policies with the Socialists and Communists in order to proceed by consensus, One way of assuring a Parlia-mentary majority would be to form an alliance with the small right-wing Democratic Coall-tion. But in view of the elec-torate's manifest rejection of the torate's manifest rejection of the extreme right last week. Sr Suarez is unlikely to want to take this course.

Unemployment

Despite his success last Thursday, Sr Suarez's task will be by no means easy. He may well find difficulties in governfettered democracy. The success of regional parties last week has confirmed the intractability of the problems threatening the being the high level of support the country will again be going to the polls in important municipal elections. It looks as if Sr Suarez is going to be hard put to find the time to tackle the

DEVOLUTION VOTES: THE AFTERMATH

Why the SNP is jubilant

could not have been better for to the National Party itself. the Scottish National Party. After 18 months in the political wings it is back on centre stage, proposal to set up a Scottish united by the one issue that can Assembly with limited powers united by the one issue that can unite it: "Scotland is being over domestic affairs, as a tactic robbed by London."

Agembly with limited powers over domestic affairs, as a tactic for defeating the CND it was

The 450 delegates to the policy-making national council, which met in Dundee on Satur-day, were jubilant. The schizo-phrenia over devolution is ended and the prospects are that within a short time the party, which relies on cam-

role in the negotiations about to open which will determine the life of the Government. The party will not strive to keep Labour in power at all costs in the hope of getting devolution through Indeed, pressures are already building up to cut loose from the whole idea and go for a quick General Election, true and to many in the party

Those who expected the SNP to be demoralised by the failure to reach the 40 per cent requirement in the referendum

Whatever one thinks on other grounds of the Government's remarkably successful. It did not "appease" the party, as many of the No campaigners claimed it was intended to doit cut the ground from under the Nationalists' feet.

The SNP was forced to accept devolution because it recogparty, which relies on campaigning to maintain its momentum, will be fighting a General Election.

The SNP will play a crucial The support of the megotiations about the megotiations about the megotiations about the megotiations about the control over its own affairs, if it rejected the offer of control over the megotiations about the megotiations about the megotiations about the control over the megotiations about the control over the control o over some of them. The party attempted to incorporate the assembly into its own strategy for independence by saying that once Scots got the taste for home rule they would want to go the whole way.

> irrelevance. The fear of the hardline

But the argument never rang

independent men was that far have believed too much of the from getting the taste for more, propoganada put out by the No campaign. It was one of the successes of the anti-devalution sibility which the Assembly lists that they managed to devalution devalution. with diately, party leaders saw their

for the Prime Minister, it difference more apparent than devolution campaign at the immediate General Election.

Id not have been better for to the National Party itself.

expense of the long, slow slog

Only the time limit to the long of the lon to win hearts and minds for independence. Some respected Mr. Neil MacCormick, professor of public law at Edinburgh University, son of one of the founders of the SNP and brother of the Nationalist MP for Argyll, made no secret of or two weeks, the fact they saw limited home

A kev figure

Trounced by Labour

The misglvings were reinforced by the electoral evidence. Where as SNP support in the opinion polls jumped when the first devolution Bill was killed by the Commons, in 1977 it began to decline steadily as the second Bill made its way through Parliament. In three by-elections last year the Nationalists were trounced by case a strong pro-devolutionist attitude of the party over the sits candidate.

Now, that fear is all but banished. Within the next few days SNP leaders will put to the Government the ultimatum. Westminster rejects the approved by acclamation by the measure because it fails to National Council: either satisfy a novel constitutional coerce reluctant Labour back- principle. The sooner the elec- down to one seat in Parliament:

Only the time limit to be allowed the Government is still undecided within the party. But members of the party, including the difference in opinion is marginal; the more moderate would give Mr. Callaghan a

month to get the Scotland Act on to the statute book-most of the others no more than one rule as being an end in itself.

Wilson, MP for Dundee East, a

fundamentalist as far as inde-pendence is concerned. His star has been rising in the partyand he is expected to be elected overwhelmingly as its next chairman at the annual conference in May. He said yesterday that the prospect of devolution now being killed by the 40 per cent rule was like a load being lifted from the back of the SNP There was a difference of opinion within the party over the assembly, and we were caught in the middle stream. We are now back in a fighting mood again and you will see a great change in the campaigning

Mr. Wilson argues that the 1.2m Scots who voted for devolution will feel aggrieved if

activists benchers into line to pass the tion comes the stronger that the Western Isles. Within 18 THE referendum result nationalism. But the reality was own rank-and-file activists benchers into line to pass the tion comes the stronger that the Western Isles. Within 18 could not have been worse different and to no one was that devoting their energies to the devolution Act, or face an grievance will be. "March 1 months we were building up to the could not have been worse different and to no one was that devoting their energies to the devolution Act, or face an grievance will be. "March 1 support again. Many up the was a threshold; we broke through a psychological barrier by getting a majority of people to vote for home rule. If the House of Commons now turns

it down we will have material for campaign after campaign. Parliament had better look very carefully at what it does if it is going to avoid the mistake made or two weeks.

A key figure in the coming negotiations will be Mr. Gordon
Wilson, MP for Dundee East's

Confidence alone will not be enough to win the SNP the next election. The latest opinion poll, in the Glasgow Herald last week, put SNP strength at 18-per cent compared to 40 per cent for Labour and 37 per cent for the Conservatives. On this showing the Nationalists could lose many of the 11 seats they

of our activists would be far happier campaigning on a straight anti-London issue than on oil, or economic policy—it is a gut nationalist issue, but that does not mean to say that the public will accept it.

"Even if we do lose strength we must remember that in 1970 we lost Hamilton and were

same basic factors apply now the economy is on the decline and there will probably be Conservative Government power."

Mr. Wilson is less pessismistic There will obviously be no SNP landslide, but the party has shown before that it can and he points out that 18 percent is more support than the SNP was given at the start & the February, 1974, campaign, a

"We could lose a few sean but we will pick up some in other areas. Our tactics are not just for now, but for two or three years from now. So for most of the economic fallback, showing the Nationalists could lose many of the 11 seats they won—mainly from Tories—in 1974.

Mr. Siephen Maxwell, a vice-chairman, believes that the loss could be as high as 5 or 6 seats. There is no dobut that many activities would be far have been a substantial minority. have been a substantial minority, which voted for devolution but did not get it. The danger for Westminster is that the situation will fester.

> "It can only be good for the SNP that we have now got one selves in a monstrous constitutional tangle and the issue will tional tangle and the lask of the incoming Prime Minister.

Preparing to put regional reforms back on the shelf

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

on the verge of its first major constitutional change since 1920, when the Govern-ment of Ireland Act gave Irethe south and the other for the six countles which became Northern Ireland. This mornwhether any further change affecting the relationship between Westminster and other parts of Britain is likely for years to come, possibly even in the remaining years of this century.

The only other Important con-stitutional change which has been undertaken since 1920 is to Scotland and Wales. the decision to join the European Economic Community. That referendum, held on June 5, 1975, produced a clear-cut decision: 65 per cent of those voting accepted the recommendation of the Government that Britain should enter. Since then, the effects of "European-still get an assembly.

increasingly in all forms of life. Increasingly in all forms of life.

Had either Scotland or Wales
voted clearly to accept the provisions of the two Acts which
would have established
assemblies in Edinburgh and
Cardiff then there would have
been quits considerable changes in the pattern of government in Britain and especially in the relationship between London and the regions.

These changes would not have been confined to Scotland and

say in their own affairs; they viewed the accretion of power by a Scottish assembly as someland two Parliaments, one for thing which could only be counteracted by being given more power themselves. Simi-larly, in Cornwall there has ing, there is considerable doubt been agitation for more attention to be given to what are seen as the area's own special problems.

It is time that these voices minority in the areas concerned. But they would have grown louder, and probably more influential, if devolution had come

Radical change put back

have begun to be felt majority of those who voted in Scotland, albeit a narrow one, did say Yes and the Cabinet might decide that it can persuade the House of Commons and the House of Lords to re-peal the Orders which will now have to be laid. But this looks unlikely and the probability is that radical change in the government of the regions will have been put back.

There are important constitutional authorities, such as Lord level there were amalgamations Kilbrandon, who headed the in places—Hereford and Wor-

week ago it looked as Wales. Parts of the north of Royal Commission on the Conthough Britain could be England have been murmuring stitution, which reported in about the need for a greater 1973 after sitting for four years. who believe that it is impossible to turn the tide. They believe that there is a need for the regions to be given more say. in the government of their own affairs and that the case for it will eventually gain recognition despite last week's votes.

The more general view, though, is that assemblies are dead. The subsequent question is: what happens now?

The answer to that very much depends on which party gains a majority at the next election. If it is Labour it will almost certainly attempt to appease its supporters by a further measure of local government reform. If Mrs. Margaret Thatcher leads the Tories back into Downing Street, then there is little prospect of any changes in the town halls.

Of course, Scotland might independent observers and not a few Conservatives, believes that the reform of local government put through by Mr. Peter Walker in 1972-73 was a disaster, containing an element of gerrymandering, a diffusion of services and an unnecessary of services and an unhecessary inflation of the whole edifice.

Mr. Walker abolished the structure of parish, rural, district borough and county borough councils in England and Wales and substituted district councils. At the county layer them against a structure of the county layer them.

Welsh local government. level there were amalgamations



JOHN MORRIS ... misjudged moods



. reforms still necessary



TEDDY TAYLOR

FRANCIS PYM conference suggestion

cester became one council-and reduced number of district in others new councils were created, such as Avon. In addition, a tier of superior metropolitan counties, such as Greater Manchester and Merseyside, were brought into being. A similar reorganisation, but creating nine regions in place of the counties, was also introduced in Scotland.

Mr. Peter Shore, Secretary for the Environment, has aiready tinkered with the system by introducing a measure of "organic" change in the powers of the nine major English boroughs in January.
During the devolution campaign, Mr. John Morris, the
Welsh Secretary, made great
play of the fact that the first
thing a Welsh assembly would have to do would be to reform

The thinking is that the twothe structure of eight counties those who believe that some conference headed and 37 district councils in reforms of local government Speaker of the Comm Wales would have been rewill be necessary. This is not a senior law lord, has organised into one tier of a view, though, that is likely to increasing acceptance.

have already occurred in the House of Lords-from manufac-

industries by people who know

nothing about it."

He went to National with jeremiahs telling him that buses

were a dying industry. "But it's now the biggest bus company

in the world—five times the size

of Greyhound in America. I am a private sector man, but the

executives I worked with there would hold their own any-

councils, probably between 25 and 30. But Mr. Morris's standing has been badly devalued by the referendum because he was among the leading proponents of it within the Cabinet; the result has shown that he judged the mood of the Labour party machine in Wales even worse than that of the electorate.

There has not been such a government in Scotland because Labour managed to win controi of the two major regions-Strathelyde, which takes in Glasgow and has around half the population of Scotland, and Lothian, which includes Edinburgh. Surprisingly, it is some Conservatives, such as Mr. Teddy Taylor, the Shadow Scottish Secretary, and the Scottish tish Secretary, and the Scottish National Party, who are among those who believe that some

meet with much sympathy from a future Tory government. If there is to be any char in local government, the one

beneficiary could be Northe Ireland. Since direct rule the six counties have been without any effective local governmen and it is widely considered that now is the time to do something for the province. Northern in land could be the beneficiary any change of thinking in her rest of the United Kir The one other almost univer

sally accepted point to come of of the devolution debate is list any change in the constituted needs to be carefully thought out and not introduced a random into a House of Casmons late at night or under the threat of a guilloting. threat of a guillotine. In Francis Pym's suggestion; make when he was leading the Torr opposition, of a constitution conference headed by the Speaker of the Commons, or a senior law lord, has gained

MEN AND MATTERS

An English palace rocks Riviera

An elderly Englishman is sunning himself in the Virgin Islands, gratified at having scored one of the most remarkable coups ever achieved in contemporary European architec-ture. Sir Hubert Bennett, 69, has won the competition for the design of the Festival Palace in Cannes—a huge casina and con-

cannes—a nage casina and conference centre project.

"Of course, I was delighted with the news," said Bennett, on the telephone from his Caribbean retreat. "I was competing against 120 of the world's leading firms of architects." In France, the Cannes contract carries as much prestige as did the Pompidou Centre in

Paris (and that was also won by an English design). But Bennett, a former GLC chief architect. has astonishingly floored all rivals after eight years out of a professional practice and while not even a member of the Royal Institute of British Architects. He explained to me that he

was obliged by the regulations to resign from the RIBA when he became an executive director of the English Property Corpor-ation in 1970. But since the Cannes competition was outside Britain, there was nothing to stop him entering it.

He now heads a mainly French team of architects, Groupe Mediterranée, charged with having the Cannes project completed by mid-1982. What will it cost? "Perhaps £15m. It is impossible to predict." The latest forecast from Cannes is £23.5m.

While Bennett suns himself before returning to re-join the RIBA and plunge into his Cannes chef-d'oeuvre, he is doubtless glad to be right out of the takeover battle in which the English Property Corporation is locked, "But I greatly enjoyed my time with EPC," he insists. unaware, beneath the palm



"Howell to the rescue again?

trees, that his design is arous-ing controversy on the Riviera. The "Association for the Site and Bay of Cannes" protests that it will disfigure the panorama and mean demolishing an existing, ornate municipal casino building and a nineteenth-century theatre.

But the Cannes anthorities fear trailing behind Monte Carlo, which has just opened a vast conference centre. They want the old casino and theatre pulled down by September.

"My design is for a free-standing building that has to be seen from every direction," says Bennett. It will have a main auditorium seating 2,800, ten smaller conference halls, a new casino, underground car parks and a bus station.

Although Bennett's creden-tials are impeccable, if slightly distant notably the South Bank Arts Centre and Thamesmead) some leading French architects Bennett also seems blissfully are already weighing in against maware, beneath the palm him. They point out that the

western face of his Festival in the Community is a small but Palace will be mainly brown flourishing one, employing glass, and prophesy that on hot approximately 10,000 workers": afternoons the occupants will be broiling. But maybe that can and consumers are said to spend £180m a year keeping their lawns in trim.

A uniform hum in the suburbs is promised by New Year, 1986, when it is recommended the directive should come into force. Before then, there will no doubt be further kinds of noise—as have already occurred in the just be put down to French pique, at being bested once again by an Englishman.

Fun city

One or two recent items in this column may have given the impression that Rio de Janeiro is a rough place; so I am glad to report that there were fewer deaths this year. In carnival week. Only 130 people were killed, as against 148 last year, and a mere 20,000 were injured. Although 50 buses were attacked and damaged, this was only done by merrymakers. only done by merrymakers eager to get to the heart of the

One Manx, one

Although the rest of us may be suffering from a post-referendum tristesse, the Manx are by no means discouraged. This week in Douglas a Bill coming before the House of Keys will allow referendum. Keys will allow referendums on any topic of public concern. If passed, it will probably result, first of all, in a vote on birching -which the island still engages

Out to grass

tive on lawnmower noise... A marginal subject, one might

turers arguing that relative silence and a well-razored lawn do not go together.

Road-worthies Are the nationalised industries havens of idleness, where a feeling of being feather-bedded saps the will? One man who disputes this commonly held view is Sir Frederick Wood who, as I reported last week, has just become chairman of the National Research Development

Corporation. Looking back after eight years in the Chair at the National Bus Company, he declares: "A lot of calumny is cast at the heads of those in nationalised

in despite complaints by the European Parliament

While politicians occupy themselves with more weighty subjects, such as getting elected, the European Commission has scented the approach of spring and put out a draft direc-

suppose, but the Commission tells me: "The lawnmower trade

Hot milk

where.'

The week's prize for initiative must surely go to the striking New York milkman who man-aged to set light to 600 cartons of milk that had been delivered by a blackleg.

Observer

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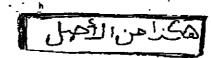
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As a tribute to Harold Wincott, the Financial Times columnist who died ten years ago today, we reproduce a column composed by him on December 4, 1951. The melody lingers on . . .

Two Pounds revisited

Mt. Mt. 109 (* 1847) WS THE article going.

There will good the Vell, I've written the head-

improve on he wo What's that?" during at the view we Pounds."

ORRESPOND

the Western Isles modify? No week support again to

the economy is end there will Conservative Dower.

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did not get

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Figure

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Pyron J

"We could lost a ds."

but we will plot a ou're not going to give emother areas for the story old stuff about the fifty-different external values line?" aterling? The Heinz line?" Il thank you for a little

I have been present respect, my lad. I'm not party for the late habit of giving them 'old that. What I had forgotten in it is a philosophical disformation on the different values tion on the different values hed internally to have been a great rency in the mountain services which value (Alexa, How such differences which value economic which vales for god, their social and economic

Westming the 1star and so on." equences, the damage they Trepeat—I were

SNP that we have give you, as my son, five selves in a conjugads as a Christmas box, they trough large and a d be five dear pounds." be sitting on the flow come?" incoming Prime 1 Will you stop using these isting expressions? They

d be dear pounds because would come from my net 1 income and as you may may not know, my net taxed me is so small that it is precious. Very dear, in But if you were my office and I gave you five pounds Christmas box, they would heap pounds."

ecause, you dolt, the firm "id charge the five pounds as on the Stock-Exchange looking anses against their tax for an office boy, Dad?" lity. So it would cost them about two pounds ten. If two sharply differing internal were office buy to a firm of values for our currency has a

and he points of we Pounds. cent is more submit Why not 'Forty Bob!?" cent is more supported by the Forty Bob?

SNP was stien at lecause I don't mean 'Forty the February logicings'. I mean 'Two different sorts of

> * Harold Wincott's columncommissioned by the then-editor, Sir Gordon Newton, on the basis of "any subject he liked to choose"—was a regular feature of the Financial Times between 1950 and 1969. His last column appeared on the day of his death, 10 years ago today at the age of 63. He took up journalism in 1930, joining the Financial News and writing the Lex column both before and after its merger with the Financial Times at the end of the war. He was also Editor and Editor in Chief

wealthy and successful stockbrokers, the five pounds might cost them 2s 6d. Now do you

of the Investors Chronicle.

for an office boy, Dad?"
The existence of these

Any of your prosperous pals

profound effect on the social values of our leading business executives. It forces them on to what may be described as grilled - herring -for-supper-stan- values next April."

"Come again ? Sorry—would you please develop your thesis,

Well, most of them live on expense allowances—or other day. Cheap pounds. But when they come home, they're back on net, taxed income—dear pounds. Hence the herring. Hence the airy way they change the subject when their wives-who've made do on a cup of cocoa and go a long way. You are, if I piece of mousetrap-ask them what they had for lunch today, dear. The trouble has been made worse in recent years by what are known as the 'initial

What're they?" "Well, if you buy something to use in your business, you're allowed to charge nearly half the cost against your tax liability in the first year."

'So what?" "So second-hand car values have been about twice as high as they ought to have been. So you put a television set in the boardroom and all the directors are missing when Australia plays England. So your Uncle Maurice has completely mechanised his stockbroking business. So your cousin Percy has bought new cash registers for every branch in his chain of shops. So farmers buy a lot of tractors and stuff they don't really want and can't really afford. So the inflationary pressure in the economy has been enormously

increased

"Yes dear. That's why he mechanised his business, pretty darned quick. You watch what the 'smoked-salmon-for-lunch- happens to second-hand car

But so soon as the initial allowances have stopped, EPT will be in operation, won't it Dad?"

"Yes, before in fact." "Then the firm that's paying people's-during their working EPT will have lots of cheap pounds. Far more even than with initial allowances. They'll charge everything 100 per cent against tax, instead of a measly

> "Son, one of these days you'll may say so, a true product of this modern age.'

"Oh, come off it, Dad. You've got to move with the times. But go on with your disser-what-youmay-call-it."

"Well, the existence of these cheap pounds in the hands of a relatively small section of the community creates a great deal of envy, covetousness and bad feeling among what the Socialists love to call the underprivileged classes. You see, they tried 19s 6d surtax, dividend limitation, capital levies. almost everything they could think of. But still the boss bowled up in his Bentley to lunch at Claridges. unionists didn't like it."

"But if the boss can't have his Bentley and his lunch at Claridges, why should be bother

"That, son, is the crux of the matter. It's all a question of what we call 'Incentive.' What Economist dubbed 'the carrot.' Because we've all got "But didn't I hear you telling so few dear pounds, we all do Uncle Maurice the other day our utmost to command cheap that these initial allowances pounds. Why, Mr. Attlee, who

doesn't believe in financial incentives at all, made more cheap pounds for himself than any other Prime Minister in British Russia. strangely enough, learnt wisdom years ago. She's always used the stick. But she found the stick alone wasn't enough. So she went back to the carrot. There's a book in my study by a man called Wendell Willkie which

Russia gets; what he got even in war-time."

"The Russian equivalent of a Bentley to take him to his lunch at Claridges. Only the Russian boss gets it without any suggestion of fiddling."

"Well, why don't we take a leaf out of the Russians' book?

describes what the boss in It seems to me that all cheap pounds do is to make people spend a lot of money on things they wouldn't otherwise buy." beading.

"Precisely. I couldn't have expressed it better myself. But before you can get rid of cheap pounds, you've got to reduce taxation. And before you can reduce taxation, you've got to reduce excessive government

Probably some new

tax avoidance scheme

very far with that article, Dad."
"No, son. Still only the "But it sounds like a good

article. Why don't you get on with it?" "Because I can't see how it's going to end. "The article, or excessive

government spending? " Both, son.

January hire purchase and other instalment credit business.

House of Commons: Debate on

PARLIAMENTARY BUSINESS

housing. Motion on the Hover-craft (Civil Liability) Order.

Final dividends: Blagden and Noakes (Holdings). Fisons. Investment Trust of Guernsey.

Letters to the Editor

illjoys in russels

FRINGS TI Mr. M. Whitmarsh -I. and I am sure many sands of my fellow citizens ne EEC were appalled to (Feb. 27) of the move to sh duty free allowances in the Community and thus

duty free shops. ille one can understand the and in many cases necesfor harmonisation of the ralies of law and practice exist, there are many areas e a difference is desirable the individual characters of point of the Community to.

an all pervading confor-. Duty free shops cannot, urse, be classed as a feature national characters, but I strongly that the present m is an area that should retained. There are several

ne revenue of airport and shops is colossal. To do with this lucrative source. ncome can have only one rt — a rise in passenger and the fares. I believe some orities calculate as much as er cent. Surely this is hardly ase move when the Comity and the whole world is ling against inflation.

he article to which I referes that the Governments of ain members, notably nce and Belgium, derive e direct financial advantage sales. This may be but it is beyond doubt that vidual businesses in the nnel ports of France, especi-

Boulogne, Calais, and ope, do benefit tremensly. This comes from the nding power of the large take advantage of the cheap is-Channel trips provided by tish Rail, SNCF, Normandy ries, etc. which run throughthe year. I, and many of my

person per trip in French

ps and restaurants. fultiply the number of boats ing a day (3 or 4 on average BR alone) holding at a convative estimate some 500 ple each, by the number of rators and a spending power say £10 a head and by any ndards one has a considere annual income to French nnesses with the tax spin-off the French Government.

ally cut if duty free shops .1 concessions were withawn. For that is the reason y the majority of people go. is I can guarantee from eral years' experience. As asant as a day in France y be, if these concessions re not available many thou-

ids would stay at home.

There is also the purely peral angle: People enjoy the ling of " beating the system." am afraid that the already newhat dented "human face" the EEC would take another ock in the eyes of many itish people. As a supporter the ideals of Great Britain's mbership of the Community, is my view that the EEC just anot afford such continued d publicity. This is a piece of oposed legislation that even n' 3 simplest soul can underand he will put it down as reasingly impersonal bureau-does not follow that ultimately upon the bus companies should acy, even though the spirit of UK coal will be used, particu-

such legislation may not have M. J. Whitmarsh. 38 St. Stephens Avenue.

Hydrogen fuel

From Dr. M. Gillibrand ...

Sir,—The TV programme Horizon (February 26) identified the capability of hydrogen to meet the needs of our indus-trialised society for an alternative fuel for motive power. It was clear from the programme that the most recent progress ber states. In my view, and in this field is as a result of ow I am not alone, it is not work being carried out in the U.S. and Germany, and that there was virtually no British contribution. This is unfortunate since it was the invention of the hydrogen fuel cell by a British engineer, Mr. Francis Bacon. which initially demonstrated the suitability of hydrogen as a fuel. It does appear that once again other countries may soon be

reaping the benefits of British inventiveness. It is also relevant to recollect that British scientists within the Chloride group of companies were probably among the world leaders in development of the hydrogen fuel cell for industrial trucks by the early 1970s. At that time the group had developed a prototype industrial truck which had operated successfully for many months. At that stage, however, the company cancelled the programme but not before a film record had

I understand that the company's view is that the sodium sulphur battery was a more practical system. According to the latest annual report: "Most of the basic research and production engineering problems have been overcome and field trials of a battery fitted to a road vehicle are scheduled to start before the end of 1978."

been made of the truck's per-

The successful development of either of these systems would nds, take trips to Boulogne either of these systems would se or four times a year demonstrate the ability of nding an average of £10-15 British scientists and engineers to once again be in the van of technological innovation. It would have immense implications to our energy policy apart from the undoubted benefits it would bring to the shareholders of the company. Consequently I have asked the chairman of Chloride to make a short film of the performance of the sodium sulphur vehicle, similar to the one made of the fuel cell truck, to be shown to shareholders ille this cross-Channel trade immediately at the conclusion uld obviously not cease it of the annual general meeting old understandably be dras- in August. Shareholders will in August. Shareholders will thereby be able to form their own opinion of the potential of the two systems and use their influence not only in their own interests but in the interests of

> (Dr.) Maurice Gillibrand. 7, Rutland Road, Ellesmerc Park, Eccles, Manchester.

The outlook tor coal From Mr. T. Skeet, MP.

Sir, - David Fishlock (February 20) advanced the case for a merger of the British Gas Corporation and the National Coal Board, but it is doubtful whether this would prove a satisfactory marriage. There are several reasons for this. Syn-thetic natural gas may indeed other killjoy act by an ever be produced from coal, but it are an unreasonable burden

tralia to Newcastle (UK) than on an expensive energy policy simply because coal is indi-By the end of the century French nuclear-based electricity could give the nation competitive edge over its

Community neighbours. Another difficulty is that Sir Derek Ezra is basing his investment on productive targets of mines of coar 170m tonnes by 2000. This naturally assumes the expansion of markets for coal, viz. primarily power stations now and by, say, 1990-2000 synthetic natural gas will begin to take a significant share. It is possible that Sir Derek may have got his arithmetic wrong and that synthetic natural gas may not be required until a much later date since natural gas may still be available in sufficient quantities for domestic use. Should expansion of coal pro-

be obliged to trim its pro-A further link with gas is underground gasification, but this route does not appear too adduced before the Select Committee on European Communities (Coal) on November 7, 1978, by Mr. H. E. Collins, a chartered engineer, that much of the gas generated by underground gasification leaked away, proved too low in calorific value, and that a similar project proved a failure in the USSR (para. 214). For the Federal Republic, Dr. Schilling

gave a similar report in para.

Mr. Fishlock could have suggested the merger of the National Coal Board and the electricity supply industry as the latter is the largest custo-mer of the former, but nobody is going to suggest that elec-tricity would benefit, particularly as coal would prove too possessive a partner, and it is likely... that the growth of nuclear power would be severely stunted. Upon further reflection it would probably be better to leave the two corporations independent of one another, and to continue to tailor National Coal Board production to the markets it can sustain on a competitive footing.

T. H. H. Skeet. House of Commons. SWI

Kunning the buses

From Mr. J. Redwood

(February 28) has now found some more satisfactory numbers from market analysis project (MAP) surveys of bus usage. His new figures, however, fail to distinguish between young people working and still at school, he fails to distinguish between working and non-working women and he fails to take up my argument concerning the need for local authorities to consider staggered hours to ease the

Sir,—I am glad that Mr. White

peak problem. I am pleased that Mr. White does not suggest that central government should replace county councils in awarding open-ended subsidies. His view that capitalised operating losses

larly if the price continues to the bus companies to make proescalate. After all, Mr. fits and thereby accumulate Fishlock observed that it was capital reserves. Transportacheaper to carry coal from Austion experts should restrain themselves from wishing to plan to mine it in Britain today. If everybody's lives. If they per-the differential remains, which ceived that if people wished to is likely, there is little econouse the service then there is a mic sense in impaling the UK chance that it would be profitable, we could move towards a cessful than that pursued by many transport authorities over the last five years.

All Souls College,

Crazy power measures

From Mr. N. Jenkins

Sir,-Your reporter (Feb. 27) quotes Mr. Platts of the Electricity Council as castigating the Department of Education and Science for having the temerity to tell the truth about uses of primary energy by the electricity supply and other indus-tries. This basis forms the only sensible yardstick, not a "crazy"

duction and the market for coal The official spokesman quoted should not be allowed to make misleading statements such as fail to match for any reason, the National Coal Board may that concerning Central Electricity Generating Board con-sumption of "unusable" oil and coal. It is not the only user of residual oil and low-rank coal; it certainly does not-although it could-burn the nation's rub-Incineration combined with heat and power generation is a technique the CEGB refuses to consider although at Nottingham the joint City and National Coal Board scheme is constantly expanding, now up to 100 MW capacity, exporting 2 MW of electricity continuously, burning less than the 50 per cent of low rank coal originally envisaged.

By 1990 it is hoped there will be more sense in the energy scene than reliance on single purpose. nuclear - generated electricity. What they always fail to tell us is that for every 4,000 MW produced by nuclear power there are 8,000 MW of heat to be sent to waste. Whatever fuel is available in 20 years' time combined heat and power must be given an opportunity to show how little elecwe really need. As an essential preliminary we have to call a halt to domination of the whole field of energy provision by one industry producing a fuels-intensive, and therefore uneconomic, luxury product, far less essential than its proponents would have us believe. Norman Jenkins.

Whitehill, Farnham, Surrey.

Support for inventors

From M. J. Wakenham, MP

Sir,—I was very interested to read (February 28) of the cam-paign by the National Research Development Corporation to increase the financial support for inventors. There is a complementary way in which the Government can support inventors and that is by changing the present tax treatment which acts as a disincentive seriously damaging innovation in Britain. The tax system should be changed with the following objectives in mind: full relief should be given against total invention income for a]] development expenditure in-

curred on successful and unsuc-

cessful projects; and the overall

expenditure should be such that

the inventor's cash flow position is not aggravated by the effects of tax before the point at which profits arise.

It is important that: the inventor should be able to establish the quantum of expenditure development (revenue and capital) on a tax year by year basis with the inspector, before the invention reaches the point of commercial viability; and "pre-trading" provisions should not be applied so as to disallow any costs of the invention. No commercial sales can take place until the product has been developed in the first instance and so "predifficult for the taxpayer' to

It follows that, if such expenditure can be quantified on a "tax year by year" basis, the inventor should be able to claim relief under section 168 for losses and under 169 for capital Further, he should be able to establish cross mixing of income and expenditure on different inventions by virtue of the fact that he has established the trade

of inventor or equivalent. ways in which the detailed tax rules are disadvantageous; the inventors and I have made representations to the Chancel-lor of the Exchequer based upon research done by the Small Busi-John Wakenham.

House of Commons, SW1.

Floating charges

From Mr. B. O'Sullivan

Sir,—The position of the holder of a floating charge on the assets of a business is not as advantageous as was implied by Mr. J. Hartley (February 23); the disadvantages of holding a floating charge as security for a loan were completely over

looked by him.
One of the advantages to a business of having a floating charge, rather than a fixed charge, on its assets is that the business usually can freely dis pose of the assets within the charge and can acquire new which then become subject to the charge. Although this freedom is often an advantage to the borrower, it is clearly a disadvantage to the holder of the charge as the contents of his security fluctuates and its value is uncertain

As Mr. Hartley pointed out certain preferential debts do take priority over a floating charge. But in addition to these preferential debts there are other interests which rank above a floating charge before it has "crystallised." These include execution interests creditors. landlords exercising the remedy of distraint for rents due, and bire purchase companies repossessing goods. Also fixed charges created after a floating charge, unless strictly prohibited, will usually take

priority over a floating charge. When Mr. Hartley claimed that the holder of a floating charge could "grab (the assets of the business) in priority to trade suppliers if the business runs into trouble," he failed to mention the provisions of section 322 of the Companies Act, 1948. The effect of this section is that where a company is being wound up a floating charge created within 12 months of the commencement of the winding-up shall, subject certain factors, be invalid Brian O'Sullivan.

GENERAL UK: Parliament resumes after

devolution referendum recess. Prime Minister meets Japan-

ese import trade mission. Sir Francis Tombs, Electricity Council chairman, speaks at Coal

Industry Society lunch, Hyde Park Hotel, S.W.1. Princess Anne visits Ideal Home Exhibition preview, Earls Sir Peter Parker, British Rail

chairman, opens "The cartoon now standing at . . " cartoon exhibition, Great Hall, Euston

Station. Foundry Exhibition National Exhibition

Birmingham. exports.

Today's Events

spending."

Mr. Eric Varley, Industry Secretary, concludes tour of U.S. and European accountants

meet in Amsterdam to discuss "peer reviews." Two-day meetings start in Brussels of EEC Agriculture and

Foreign Affairs Councils. German court rules on BP/ Veba deal Prince Philip visits Moscow to discuss Olympic and equestrian

mariers. OFFICIAL STATISTICS . Final January figures of retail sales. February provisional wholesale price index numbers.

Isle of Man Enterprises.
Interim dividends: Manganese Bronze Holdings. Parker Knoll. COMPANY MEETINGS See Financial Diary on Page 6

COMPANY RESULTS

LUNCHTIME CONCERT
Elisabeth Priday and Bronwen
Mills, sopranos, and Timothy
Day, organ, give a concert of music by Monteverdi and Schutz at St. Andrew by the Wardrobe. Queen Victoria Street.



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Your international connection

The Norwich way is knowing what makes the wheels go round.



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policy,

Oun FT Monthly Survey of Business Opinion

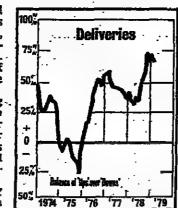
NERAL OUTLOOK

vs what me ptimism at low ebb

month's survey included interviews with companies e mecuanical engineering icals and oils, and trans-icals and oils, and trans-and shipping industries. e mechanical engineering, perators of replies. sectors influenced the

gineering and shipping anics saw the situation in export prospects, for ple, while in the chemicals polis sector it was pointed hat it could have a benefict on prices. as a discouraging factor

a result, and because of special factors such as rationalisation measures me companies, the decline e index for business conce was checked last month.



Optimism about the state of the UK economy has however continued to fall and is now at its lowest point since the end of 1976, when the IMF measures were negotiated.

The recent spate of strikes, inflation prospects, the low level of world trade, and the Government's apparent inability to create a sound economic and industrial climate were all cited as contributory factors.

Export prospects were also viewed less favourably, for the second month running. reasons were world demand and increased price competition.

Several companies said that, because of the high pound and relatively low dollar, American products had become price com-petitive for the first time in

GENERAL BUSINESS SITUATION

	4 1	February 1979						
re you more or less optimistic about our company's prospects than you were our months ago?	Nov Feb.	Oct Jan.	Sept Dec.	Aug. Nov.	Eng'g. (non- elect.)	Chems. & Oils	Ship.	
More optimistic	31	25	34	36	20	62	16	
Neutral	43	55	51	51	44	2	3	
Less optimistic	26	20	15	13	36	36	81	

C Statistical Material Copyright Taylor Nelson Group Ltd.

EXPORT PROSPECTS (Weighted by exports)

	4	February 1979					
Over the next 12 months exports will be:	Nov Feb. %	Oct Jan.	Sept Dec.	Aug. Nov.		Chems. & Oils	Ship.
Higher	67	71	79	77	74	61	41
Same	22	21	16	18	70	39	23
Lower	10	6	3	3	16		35
Don't know	1	2	2				ī

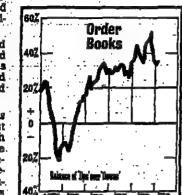
IDERS AND OUTPUT

The pace is easing

EASING of demand presmonths ago was again evi-

three sectors interviewed bruary were less inclined port increased order levels the corresponding period onths before than they had last October.

s trend of deliveries has been checked after last h's recovery; and, though medium forecast increase roduction during the commonths rose, this may rethe high market capitalisaof the chemicals and oils which still remains opti-



If the replies had been weighted in output terms, rather than market capitalisation, the overall balance might have been different.

All three sectors cited slow world demand, coupled with the Iranian situation in the case of shipping and engineering. The engineering and chemicals and oils sector also mentioned the restraint on government and local authority spending.

Other factors for some engineering companies were increased price competition from overseas and home products, and the likelihood of the rise in consumer spending tailing

NEW ORDERS	4			4			· Ma	
The trend of new orders in the last	Nov Feb.	Oct jan.	Sept Dec.	Aug. Nov.	Eng'g. (non- elect.)	Chems.	Ship.	-
Up	49	54	58	68	57	78	27	
Same	16	11	13	16	43	22	3	•
Down	14	12	10	7	6		57	۰
No answer	21	23	19	9	_	-	13	

PRODUCTION/SALES TURNOVER

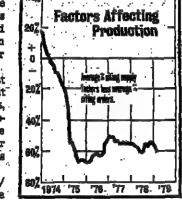
e	Those expecting production/sales turn- over in the next 12 months to:	Nov Feb.	Oct Jan.	Sept Dec.	Aug. Nov.	Eng'g. (non- elect.)	Chems. & Oils	Ship.
1	Rise over 20%	3	4	6	7	12	2	
_	Rise 15-19%	11	10	5	4		6	
-	Rise 10-14%	15	10	14	13	17	48	_
1	Rise 5-9%	21	23	21	24		_ 12	30
	About the same	31	_32	33	32	58	30	30
2	Fall 5-9%	1					_	27
9	No comment	,18	21	21	20	13	2	14

PACITY AND STOCKS

I more cautious attitude

RTHER sign of an easing e pace of activity can be n the replies about stocks g the next 12 months and spected level of bought in es over the next four

three sectors covered last 1 were less bullish about evel of outside purchases. he engineering and shiptransport sectors were inclined than in October pect their level of stocks work-in-progress to fall. e shipping and chemicals/ ector were, however, more



inclined to say that current stocks were too low in relation to output, but this could be because of strikes and the Iranian oil situation.

Except in shipping and transport, most firms are working at or about their planned rates of capacity utilisation.

Although engineering and chemicals/olls companies were less inclined last month to mention problems in recruiting skilled factory staff, there is a tendency for firms to say they are looking only for skills of the highest quality.

ACITY WORKING

	_		HOURTHY.	MOAIUS F	ULAI		Drugly 13	77
		Nov Feb.	Oct Jan.	Sept Dec.	Aug. Nov.	Eng'g. (non- elect.)	Chems. & Oils	Ship.
Above target capacity		9	8	14	T2 ·		2	
Planned output		70	67	60	61	68	74	19
Below target capacity		. 19	22	24	25	32	24	81
No Answer	٠.	. 2	. 3	2	2	. —	-	<u>.</u>

STOCKS

Raw materials and components over the next 12 months will:	Feb.	Jan. %	Dec.	Nov.	elect.)	& Oils	Ship. %
Increase	36	34	37	37	43	54	
Stay about the same	45	49	46	49	43	41	16_
Decrease	7	3	4	4	14	5	81
No comments	12	14	13	10			3
Manufactured goods over the next 12 months will:							
Increase	25	25	31	34	21	24	
Stay about the same	47	43	40	41	24	71	27
Decresse	7	5	6	5	32	3	27
No comments	21	27	23	20	23	2	46

Engig.

February 1979

February 1979

& Oils

12

27

57

40

30

Eng'g.

17

(non- Chems.

FACTORS CURRENTLY AFFECTING PRODUCTION

	Nov Feb.	Oct Jan.	Sept Dec.	Aug. Nov.	Eng'g. (non- elect.)	Chems. & Olis	Ship.
Home orders	79	79	83	82	97	94	30
Export orders	67	63	67	63	94	86	84
Executive staff	19	19	13	14	6	36	
Skilled factory staff	27	42	45	46	41	12	3
Manual Labour	12	12	7	11	3	12	
Components	4	4	6	4	19	2	
	14	9	12	9	13	26	27_
Production capacity (plant)	4	_4	4_	5	28		
Finance	1		1	1		_	
Others	7	9	6	7	3		3
Labour disputes	26	26	25	32		2	54
No answer/no factor	5	3	3	3	_	6	16

VESTMENT AND LABOUR

Slow growth in employment

INDEX for labour require ts dropped back last month both the engineering and shipping and transport rs becoming more inclined pect their labour force over ext 12 months to decline. a longer perspective, howthe trend is not too disiging -as the chart indi--though the underlying ard frend is now very slow. lack of current or foredemand is an important but he main reason. . By far the est factor are those assowith the supply of labour.



The most widely mentioned are plans to improve productivity, followed by recruitment difficulties, and the potential cost of redundancy payments or other aspects of employment legislation.

High wage or other labour costs feature relatively low on

Investment plans, although on balance still encouraging, with almost half of all firms expecting to spend more in volume in the next 12 months, have been becoming less bullish

LABOUR REQUIREMENTS (Weighted by employment)

	4	4 monthly moving total			February 1979		
Those expecting their labour force over the next 12 months to:	Nov Feb.	Oct Jan.	Sept Dec.	Aug. Nov.	Eng`g. (non- elect.) %	Chems. & Oils	Ship.
Increase	27	30	32	30	23	22	9
Stay about the same	51	53	43	43	39	78	
Decrease	72	17	25	27	38		91

CAPITAL INVESTMENT (Weighted by expenditure)

No comment

10-14%

15-19%

20-24%

10-14%

15-19%

Decrease

Same

No answer

Those expecting capital expenditure over the next 12 months to:	Nov Feb.	Oct jan.	Sept Dec.	Aug. Nov.	Eng'g. (non- elect.)	Chems.	Ship.
increase in volume	46	47	46	48	31	84	32
Increase in value but not in volume	8	8	10	10	17	9	
Stay about the same	23 ·	23	18	18	13		5
Decrease	16	14	16	76	39	7	63
No comment	7	8	70	8			

Nov.-

19

55

11

14

Octr

Jan.

51

Dec.

DST AND PROFIT MARGINS

nflation fears increase

ne median forecast increase



1974 75 '76 '77 '78 '79 risen from just below the per cent mark, where it has ained for the last six nths, to just over 12 per cent.

he median forecast increases

firms to expect wage costs put prices have meanwhile of all public companies, ise somewhat faster in the risen rather more sharply from The all-industry figure 9 per cent to over 11 per cent. The forecast for prices had been lagging behind that of

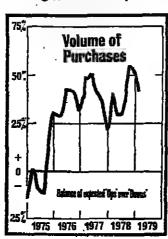
total unit costs but it has now virtually caught up with it. This helps to explain the recent improvement in the index for profit margins, although last month the recovery was checked principally because of the less sanguine views

expressed in the enginering and shipping and transort sectors. Hopes of improved returns on capital employed are nonetheless still growing, despite the more cautious expectations in

shipping and transport. These surveys, which are carried out for the Financial Times by the Taylor Nelson Group, are based upon extensive interviews

with top executives. Three sectors and some 30 companies are covered in turn every month. They are drawn from a sample based upon the FT-Actuaries' Index, which

IRE are signs of a tendency for total unit costs and for out- accounts for about 60 per cent Wages rise by: The all-industry figures are four-monthly moving totals covering some 120 companies in



11 industrial sectors (mechanical engineering is surveyed

every second month). Complete tables can be purchased from Taylor Nelson and Associates.

COSTS

Unit cost rise by:

PROFIT MARGINS 4 monthly moving total February 1979 Eng'g. Chems. Oct.-Sept.-Those expecting profit margins over the & Oils Ship. elect.) jan. Dec. next 12 months to: 38 <u>Improve</u> 33 43 47 Remain the same 12 13 Contract 21 21 38 54 No comment

RENTOKIL GROUP LIMITED

Preliminary Announcement

, Graun	1978	1977
Group turnover	£60,440,000	£50,834,000
Group profit before tax	£10,559,000	£8,543,000
Group profit after tax	£5,972,000	£4,810,000
Earnings per share	6·30p	5-09p
Dividends Interim paid November 1978 (7.2% with tax credit of 3.546%) Final proposed payable 27th Apr	il	9·545%
1979 (11.5°, with tax credit of 5.66	4%) 17·164%	14-642°°
	27-910%	24·187°

These figures exclude exchange differences (debits) of £223,000 (1977: £778,000) on translation into sterling of overseas net assets.

Share register struck for dividend 27th March, report and accounts to shareholders 2nd April, annual general meeting 26th April at Felcourt, East Grinstead, West Sussex.

guards your property



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PLANT & MACHINERY

ROLLING MILLS 5in x 12in x 10in wide variable speed Four High Mill.

3. i5nx 8ln x 9in wide variable speed Four High Mill. 10in x 16in wide fixed speed Two High Mill. 6in x 16in x 20in wide Four High Mill. 20in x 30in x 350 H/P Two High Reversing Mill. 10in x 12in wide fixed speed Two High Mill. 17in x 30in wide fixed speed Two High Mill.

1970 CUT-TO-LENGTH max, capacity 1,000 mm 2 mm x 7 tonnes coil fully overhauled and in excellent condition STRIP FLATTEN AND CUT-TO-LENGTH LINE A.K.M. Max. Cabacity / 30 mm x 3 mm. FARMER NORTON 18in WIDE CUT-TO-LENGTH LINE. Max, capacity 15in x 10 s.w.g. RWF TW-STAND WIRE FLATTENING AND

STRIP ROLLING LINE, 10in x 8in rolls x 75 hp per roll stand. Complete with edging rolls, turk'n head, flaking and fixed recoiler, air gauging, etc. Variable line speed, 0/750 ft/min and 0/1,500 ft/min. SLITTING LINES (2) 300 mm and 500 mm

BAR THO TUBE REELING & STRAIGHTENING MACHINE by Place. Max, capacity 2in Bar 8 BLOCK (400 mm) IN LINE, NON-SLIP WIRE DRAWING machine in excellent condition. 0/2,000 ft/min variable speed, 10 h.p. per

24in DIAMETER HORIZONTAL BULL BLOCK by Farmer Norton SIX BLOCK (22in x 25 h.p.) IN LINE, NON-SLIP VARIABLE SPEED WIRE DRAWING MACHINE by Marshall Richards.

2 15 Die MS4 WIRE DRAWING MACHINES, 5,000 ft/min with spoolers by Marshall Richards. 9 DIE 1.750 ft/min SLIP TYPE ROD DRAWING MACHINE equipped with 3 speed 200 h.p. drive 20in. Horizontal Draw Blocks 22in Vertical Collecting Block and 1,000 lb

Spooler. (Max. Inlex 9 mm finishing down to 1.6 mm copper and aluminium). , 9 and 17 ROLL FLATTENING AND LEVELLING MACHINES, 20in, 36in, 59in HYDRAULIC SCRAP BALING PRESS by Fielding and Platt, 85 ton rain ram

TYPE 10004R CINCINNATI PLATE SHEAR, max. capacity 1,250 mm x 25 mm M.S. Place. Complete with full range of spares. No. I FICEYP SHEAR, max, capacity 50 mm rounds 75 mm x 35 mm bar, 400 mm x 10 mm flats (spare shear blade). CINCINNATI GUILLOTINE 2.500 mm × 3 mm capacity complete with magnetic sheet supports and motorised back stops.

1974 FULLY AUTOMATED COLD SAW by Noble & Lund with batch control. 3 CWT MASSEY FORGING HAMMER-36" Dia, HORIZONTAL BULL BLOCK by Farmer Norton 75 H/P variable

TWO SPEED REVERSING ROLLING MILL, equipped with 20in dia. x 30in wide rolls. Twin recoilers and 350 h.p. drive. 1970 CUT-TO-LENGTH LINE max. capacity I.000 mm x 2 mm x 7tonnes coil, fully overhauled and in excellent condition.

capacity 160in x 50in x 50in. Almost new cond. 4,000 TON HYDRAULIC PRESS. Upstroke between columns 92 in x 52 in daylight 51 in. UPSET FORGING MACHINE 4in dia, 750 tons ubset pressure WICKMAN 25" 6SP AUTOMATIC. Recon. WICKMAN 21" 6SP AUTOMATICS 1961 and 1963. EXCELLENT CONDITION. WICKMAN | " 6SP AUTOMATIC. Recon. CINCINNATI CENTRELESS GRINDER. Excellent. LINDNER JIG BORER, very accurate. 1500 TON CLEARING D A PRESS

WALDRICH COBURG HYDRAULIC PLANER

Bed 180" x 96". 200 TON VICKERS CLEARING PRESS Bed 36in x 40in Air Clutch & Brake as new. 200 TON SCHULER HIGH SPEED PRESS Double roll feed excellent. LUMSDEN GRINDER 36" dia. magnetic chuck.

reconditioned. NATIONAL COLD HEADER &" dia. recon. 200 TON TAYLOR & CHALLEN DEEP DRAWING PRESS, excellent condition. DEMOOR HEAVY DUTY LATHE 38" dia x 10ft well equipped, reconditioned, CINCINNATI No. 3 HORIZONTAL MILL INDEX B30 AUTOMATIC, rebuilt. V.D.F. CENTRE LATHE

BARBER & COLMAN 16-16 HOPPER, as new.

26"dia. x 14ft Spindle Bore 55"

81-928 3131 Telex 261771 01-928 3131 Telex 261771 01-928 3131 Telex 261771 01-928 3131 01-928 3131 Telex 261771 01-928 3131

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Evode warns of depressed first half performance

Warning of further decline in first half profits at Evode Holdings below last year's depressed level of £0.31m pre-tax comes from Mr. P. J. Wright, the chairman, in his annual report. Nor is he optimistic about trading profits for the current year. First half results may not

match even last year's poor figures. Operational problems at home and continued losses overseas prevented headway being made in the early part of the half year and the national environment—and to an extent the weather—will seriously affect at least January and probably beyond," he says.
"With a disappointing first half

the going rate necessary in the second half will have to be another record to enable us to equal, let alone surpass last year's full year total," he adds.
Mainly because of continuing problems in some of the group's overseas activities, taxable profit

for the year to September 30, 1978, slipped from £1.48m to £1.34m though sales moved ahead to £26.76m (£23.22m) as reported Current cost profit showed a fall from £938,000 to £822,000 after additional depreciation of

f190,000 (£188,000) and extra cost of sales of £359,000 (£374,000) less a genring adjustment of £31,000 (£17,000).

The provisions made in the year's accounts and the actions

taken or being taken by the company are hoped to considerably reduce the impact of overseas problems in 1978/79 onwards. If they do not prove adequate the directors will not hesitate to take more drastic

BOARD MEETINGS

dates of Board meetings to the Stock Exchange. Such meetings are usually held (or the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finels and the sub-divisions shown below are based mainly on last year's timetable.

TODAY
Interims: Manganese Bronze, Parker Knoll, Victor Products (Wallsend).
Finals: Blagden and Noakes, Fisons. Investment Trust of Guernaey, Isle of Man Enterprises.

Mar. 21

impact they may have on the group's figures, Mr. Wright

The group has already decided to back out of one trouble spot; Evode Inc in the U.S. where difficulties arose primarily due to lower sales resulting from building regulations. The busin this wholly-owned distribution company has been transferred to

At the 80-per-cent-held Societe Chimique Emfi in France further steps are being taken to eliminate losses. The group's investment in this subsidiary is being written down and a further 20.3m provision has been made. compared
At year end cash stood at viously.

421,000 (£65,000) and bank loans and overdrafts were up from £108,000 to £538,000. Working capital was down £98,000 (up Meeting, Stafford, on March 28

Cronite begins in

good form A RECORD profit in the first export orders standing at the highest figure for five years, was reported by chairman Mr. K. F. Ward to the annual meeting of the Cronite Group.
Subject to the usual reservations, Mr. Ward expected the
current year to show "a substan-

tial improvement in profits." The company suffered as a re sult of the recent industrial action and inclement weather due to the inability to ship merchandise in accordance with scheduled contracts. "The signs are that we shall recover, these losses during March," said Mr.

CAPITAL & NATIONAL

Revenue available at Capital and National Trust came out bigher at £372,768 for the half year to January 31, 1979, against £337,323, after tax of £228,632 compared with £213,719 pre-

Associated Paper starts well

THE current year started strongly for Associated Paper Industries and in the first quarter

diaries in January and caused a temporary setback but it is expected that further progress in good investment.

terms of profit will be made this

The accounts show payment of

strong financial position. Net Meeting, Great Eastern Hotel, assets per share amount to 85.1p EC, March 20 at 12.30 pm. (81p) while loan capital is 17.7 per cent (14.9 per cent) of capi-tal comployed — the increase mainly due to a film loan from the Secretary of State for Scot-land which is nterest free until

For the year ended September 30, 1978, profits before tax were £1.97m, against £1.8m). Total sales were £36.67m (£32.46m). Profit on a CCA basis is reduced to £1.68m after adjustments for cost of sales, £128,000, additional

FINANCE FOR INDUSTRY TERM DEPOSITS

Doposits of £1,000-£50,000 accepted for fixed terms of 3-10

years. Interest paid gross, half-yearly. Rates for deposits received not later than 9.3.79.

Terms (years) 3 4 5 6 7 8 9 10 Interest % 123 13 13 131 131 131 131 131 131

Deposits to and further information from The Chief Cashier,

Finance for Industry Limited, 91 Waterloo Road, London SE1 SXP (01-028 7822, Ext. 177). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC

CORAL INDEX: Close 484-489

INSURANCE BASE RATES

The George M. Whiley subsi-diary made a loss of £200,147 in the group traded close to budget, their first six months with the Mr. K. L. Young, the chairman group which was much in line says in his annual report.

with expectations at the time of ays in his annual report.

with expectations at the time of the purchase. They are now everely affected some subsimproving satisfactorily and the liaries in January and caused a chairman is confident that emporary setback but it is Whiley will prove to be a very

year, the chairman says.

£40,000 to a director on retireThe balance sheet shows a ment due to ill health.

Seven months deficit for Hill Thomson

time in respect of a provision for payment of compensation on termination of an overseas distribution contract, Hill Thomson depreciation of £479,000 and and Co. incurred a pre-tax loss against £78,000.

to July 31, 1978. For the previous full year, profits of £1,593,040 were achieved.

for J. Jarvis

After charging £840,000 this

Turnover for the period amounted to £6.01m (£11.17m for all 1977) and the loss was subject to a tax credit of £0.34m The dividend is cut from 36.863p to 4.387p per 25p

Midyear profit downturn

With turnover unchanged at E5.7m, taxable profit of Bolton Textile Mill Company fell from £163,000 to £149,000 in the six months to October 31, 1978. Pro-fit for the last full year amounted to £307,000.

After tax of £77,000, compared with £85,000, the net balance for the first half emerged at £720,000,

Azthority

parentheses I

East Lindsey (0507 5801)

Knowsley (051 548655) 121

Sefton (051 922 4040) 13

Reading (0734 592325) 14; maturity

Redbridge (01-478 3020) . . 12: -year

(telephone number in

LOCAL AUTHORITY BOND TABLE

Annual Interest

interest able

13

gross pay- Minimum of

sum

250

1,000

bond

5-10

f Year

BIDS AND DEALS

Johnson-Richards lifts payout hopes

In a strongly worded document one ordinary share of 25p in rejecting the Norcres bid, Mr. J. Guinness and 27p in cash.

Alec Done, chairman of H. and R. The White Child Board and Johnson-Richards Tiles, tells shareholders that if the bid or Johnson's proposed merger with Armitage Shanks are referred to to Monopolies Commission, shareholders will receive a substantial dividend increase.

It would be the directors' intention to declare a second interim dividend in lieu of a final, amounting to 5.75p per share which, together with the 1.25p interim, would lift the total payment for the current year to 7p per share compared with the equivalent of 1.789p paid for 1977-78.

Urging shareholders to reject the Norcros approach Mr. Done declares that "a takeover by a financially orientated conglo-merate such as Norcros would be gravely damaging to the fabric of Johnson-Richards' business and to the best interests of Johnson-Richards' shareholders.

He goes on to say that the Nor-cros operations are "far removed rom the activities of Johnson-Richards and could contribute nothing to the health or development of our business.'

Turning to a three hour meeting held on January 9 between four Norcros directors and some members of the Johnson-Richards board, Mr. Done claims that "Norcros demonstrated that it had little understanding of the

comment

The share prices of Johnson-Richards and Armitage Shanks have been signalling that the market at least expects the battle between Norcros and Johnson-Richards/Armitage to be referred with the result the bid and merger schemes would lapse. One of Johnson's defence arguments is that shareholders would receive a better income return under a Johnson Armitage get together than by accepting the Norcros bid. Now the Treasury appears to have approved a big dividend increase for Johnson not as a defence

against Norcros but as a defence against the commission. With Johnson's substantial dividend cover it can afford a near quad-rupling of the dividend, and the lifting of the prospective yield to 8.3 per cent at 127p should stem ony downward drift in the shares if it does come to a reference.

GUINNESS/WCB Arthur Guinness Son has dis-patched its offer document to shareholders of White Child and Beney, the materials handling and plastics group.
Guinness aiready owns 67.12
per cent of the White Child
equity and is bidding for the
32.88 per cent that it does not

Hawker Siddeley Group acquire Electric Switchgear. Hawker

FT Share already own.
It is offering 200p in cash or Information

> The following securities have been added to the Share Information Service appearing in the Financial Times:— Needlers (Section: Foods). Sheffield Brick (Section: Build-

> Suter Electrical Defd. (Section: Electricals).

SIMCO MONEY FUNDS Satura Investment Management Co. Ltd. 66 CANNON STREET EC4N 6AE Telephone: 01:236.1425

Call 7 day % p.a. % F-8 14.007 13.224 13.597 13,218 13*.*701 13,244 13.529 13.247 Thurs. 12,956

their familities are intending to

accept the offer in respect of their

holdings which represent 5.8 per

HEYWOOD WILLIAMS

Heywood Williams has acquired

Budget Motels and Hotels of America—a U.S. booking agency

The purchase price is to be paid over three years and will

be based on Budget's profits per

formance over that period. Hey

wood says that it does not expect to have to pay more than U.S.\$250,000 (£124,000) and the

purchase price will be funded out of Budget's profits.

Heywood, a UK supplier of glass and aluminium products to

United Cornoration. It does not own hotels, however, but provides

manageant services.

Mr. Douglas Olinhant, Heywood's chairman has forecast group profits of around fim for

and restaurant business is ex-

perted to be around £200,000.

Mr. Oliphant says that he is

hoping to expand this side of the

The offers on behalf of Oakley

Investments to acquire all the shares in Maddieson's Holidays

not owned by Maddieson Invest

ment Company have become un-

Acceptances of the offers have been received in respect of 1.93m

deferred 5p shares and 1.93m new

ordinary shares of 1p each, being 99.4 per cent of each of the two

classes of shares for which the offers were made and 61.0 per

cent of the share capital of

The offer whereby Oakley agreed to acquire all MIL also became unconditional. MIL owns

38.6 per cent of the share capital

of Maddiesons and Oakley there-

fore owns, directly or indirectly,

a total of 99.6 per cent of Maddie-

CANADIAN DEALS APPROVED_

The Canadian Foreign Invest-

ment Review Agency has approved foreign investment plans by Boots Company to

sequire McDermott Drugs and

OAKLEY OFFERS

UNCONDITIONAL

group's activities.

conditional.

Maddiesons.

with links with 800 hotels.

IN U.S. HOTEL AGENCY DEAL

● NEWS ANALYSIS — ROSSMINSTER/JACKSONS

there is no reason to suppose that the bid will receive more

than a trickle of acceptances. In normal circumstances, the 22p uplift on the share price pre-vailing ahead of Rossminster's offer would have shaken out several shareholders and tempted many more. However, after rising initially to match the 100p per share terms, the price has remained consistently ahead. Persistent buying from one uniterated constants.

identified source in a tight market drove the price up to a peak 148p earlier last week and, although the shares had eased back 10p by Friday, this premium is a pointer to the resistance expected from the Jacksons' Board.

In a sense, the battle is already lost for Rossminster now controls around 58 per cent of the equity but the results of a recent re-valuation are expected to show assets which comfortably underpin the recent share price performance.

the building industry broke into the U.S. market last year with the purchase of the hotel and restaurant business of Interstate Jacksons' traditional millboard and fibreboard conversion activi-ties provide scan justification for subsequent market reaction. The track record is distinctly patchy yet even at the pre-bid price the the year ending April 30, 1979. The contribution from the hotels

confidence. Contrary to a year

and there is hope for some ease-

Expressing the hope that the

Government might now ease sta-tutory controls and lengthen re-

payments periods for private motorists, he points out that with

available the company is well placed to take advantage of any

further growth in demand for in-stalment credit by industry and

financial resources it has

agreements by the company were (2.0625p).

A. See page 30.

The

Industrial

Society

will give their views

Tuesday, 20 March

Tickets and further details from:

Sue Coveney, The Industrial Society

ment eventually, comments Mr. balance. Stephen de Bartolome, the chair- For 19

since 1975-76.

The sole cause of the interest it seems is Jacksons' 24 acres of industrial and ancillary land at Bourne End, Buckinghamshire, near the M4 motorway. These are shown in the latest accounts at £533,000, at cost, where asset the latest is 100.75 war chart. backing is 100.7p per share.

developed. The local authority concerned, Wycombe District Council, has not gone any further than the publication of a docu-ment of intent as yet but discussions with Jacksons and other interested parties concerning the long-term development future of tain the quote. the area have already been broached.

If, as has been suggested, a regrouping and extension of Wycombe's industrial base eventually centres on Jacksons'
site, a long history of planning
disappointments will be over.
In the accounts for 1971, shareholders received the first indica-

tion that Jacksons was seeking a redenloyment of its "peripheral In the subsequent year, share-

holders heard that "the existing use value" of the company's properties at Bourne End might be of the order of £1m. which, historic p/e was over 10. Further-incidentally, is only £64,000 short more, the interim dividend for of the bid for the entire com-

unearned finance charges being

ance charges is spread through-

For 1978, as reported February

17, taxable profit rose from £2.15m to £2.71m on turnover of

£10.92m (£9.52m). Adjusted for inflation profit is cut by £0.65m.

At year end net liquidity was

down £3.42m (£3.88m) with bank

loans and acceptances, medium

term loans and deposit loans totalling £36.64m (£26.37m). Net current assets amounted to £6.68m (£6.87m). The net divi-

to the outstanding

Wagon Finance well set

THE DIRECTORS at Wagon Fin- 32 per cent up to a record level

ance Corporation face 1979 with resulting in £8.16m (£6.42m) in

year has started with high rates out a repayment period in pro

Advance under new, credit dend is raised to 2.303125p

the wheels go round,

Who knows what makes

even the biggest wheels?

A lunch-time discussion on

'The Concordat'

Government, Opposition, trade union and Indust v

Reception 1100; speakers 1115; lunch 1330

Mount Royal Hotel, London WI

3 Carlton House Terrace, SWI - Tel: 01-839 4300

to meet rise in demand

ago when the prospect was of carried forward Income rising interest rates the current ance charges is spread

Property key to bid Rossminster Holdings will be posting its formal offer document to shareholders in Jacksons Bourne End tomorrow but there is no reason to suppose since 1975-76.

> that transaction triggered Ross minster's full bid through its Hopes are being tentatively Dawngrange investment holding raised that this site will be resulted the level authority. subsidiary.
> Before the pros and cons of

the offer are thrashed out publicly by both sides, it seems clear that Rossminster is entirely unconcerned whether it succeeds in taking out the minority. Indeed, it would prefer to main

Dawngrange's Curiously. Dawngrang representative on the Jacks Board, Mr. A. D. S. Cannon, seems less than sanguine about prospects for major read of the seems less than sanguine about prospects for major read of Routers Ford and the seems less than ment at Bourne End and he seriously wonders whether the planning outlook is any more hopeful than it was four or five

ears ago.

Property, then, is clearly the property, then, is clearly the property and should the key to this bid and should the current round of talks with the Wycombe council come to nothing. Rossminster may well be left with control of a quoted comthe revalued assets is likely leave little to recommend it.

How a private company, norm. ally coy about its finances and whose only past exposure to the limelight concerned retrospective. Government fiscal action against some of its skilful tax avoidance. schemes, plans to use any quot-tion is one of the more intrigu-ing long term questions posed by this bid. Short term, however, the answers rest with the Wycomb

(KABUSHIKI KAISHA ITO-YOKADO) 6% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1992. 545 CONVERTIBLE DEBENTURES DUE AUGUST 31, 1993

NOTICE TO HOLDERS OF

ITO-YOKADO GO., LTD.

Pursuant to Section 2.04(f) of the Company's Indentures dated as of June 15, 1977 and July 1, 1973, respectively, relating to the above-mentioned Debentures, notice is

montioned Debentures, notice is hereby given as follows:

1. The Company has made a public offering of 12,500,000 new chares of Common Stock of the Company in Japan at the price of Yen 1,630 per share. Such public offering has resulted in the following adjustment, effective as a March 1, 1979, Japan Time, of the conversion prices of the abortmentioned Debentures. The caversion prices in effect before as adjustment were Yen 1,445.50 at the 6% Convertible Debentures. Due August 31, 1992 and Yen 1,63 for the 51% Convertible Debentures Due August 31, 1993, and the adjusted conversion prices, suffect to further adjustment as a forth in paragraph 2 hereof, as Yen 1,435.30 for the 6% Convertible Debentures Due August 31, 1993, and the adjusted conversion prices, suffect to further adjustment as a forth in paragraph 2 hereof, as Yen 1,435.30 for the 6% Convertible Debentures Due August 31, 1993 and Yen 1,482.60 for the

this Debentures Due August 1.
1882 and Yen 1.462.60 for the
551.75 Convertible Debentures Due
August 31, 1983.

1 The Company has also made
a free distribution of shares of
the Company's Common Stock to
shareholders of record as of March
1, 1979 in Japan at the rait of 1
new share for each 10 shares held
Accordingly, the conversion prices
at which the above-mentioned
Debentures may be converted into
shares of Common Stock of the
Company have been further adjusted effective as of March 2, 1979.
Japan Time, from Yen 1.485.30
per share of Common Stock to
Yen 1.304.80 per share of Common
Stock for the 67; Convertible Debentures Due August 31, 1992 and
from Yen 1.485.80 per share of
Common Stock to Yen 1.339.81
per share of Common Stock for
the 551 % Convertible Debentures
Due August 31, 1983.

ITO-YOKADO CO., LTB. By: The Bank of Tolk Trust Company Dated: March 5, 1979

This advertisement complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland.

Finance for Industry Limited

£15,000,000

13 per cent. Sterling/U.S. dollar payable Bonds 1991

Issue Price 100 per cent.

The following have agreed to subscribe the Bonds:—

S. G. Warburg & Co. Ltd.

Banque de Paris et des Pays-Bas

County Bank Limited

Merrill Lynch International & Co.

Nomura Europe N.V.

Barclays Bank International Limited

Lloyds Bank International Limited Samuel Montagu & Co.

Limited The Royal Bank of Scotland. Limited

Salomon Brothers International

Westdeutsche Landesbank Girozentrale

The 15,000 Bonds of £1,000 each constituting the above issue have been admitted to the Official List of The Stock Exchange of the United Kingdom, subject only to the issue of the Bonds. Interest is payable annually on 15th March, the first such payment being due

Particulars of the Bonds are available from Extel Statistical Services Limited and may be obtained during normal business hours up to and including 19th March, 1979 from:-

> Hoare Govett Limited. Atlas House, 1 King Street, London EC2V 8DU.

-5th March, 1979.

S.Lyles Limited Carpet Yam Spinners and Dyers

13.470

Interim Report

The following is a statement of the unaudited results of the Company for the half year ended 31st December, 1978:

	Half year to 31.12.78	Half year to 31.12.77	Year to 30.6.78
T.,,,,,,,,,,	£	٤ .	2
Turnover:			
United Kingdom	3,522,261	3,069,869	6,435,354
Exports	2,489,060	1,406,766	3,493,026
	£6,011,321	£4,476,635	£9,928,380
Profit before Taxation	452,678	107,072	392,790
Taxation	235,393	55,677	161,500
Net Profit	£217,285	£51,395	£231,290
Earnings per Share	5.98p	1.42p	6.37p

We had good trading conditions during the whole of the first six months of our current year. Our exports were the highest in any half year yet and exceeded 40% of the turnover.

On a basis of continuation of current trading conditions, there is no reason not to expect the maintenance, in the second half year, of the improved earnings in the first half year. An interim dividend of 2p per share (1978: 2p) has been declared for the current year and will be payable on 2nd July, 1979, to shareholders on the register at the close of business

It is recommended that £363,190 be capitalised to pay up in full 363, 190 11 per cent cumulative preference shares of £1 each which are to be distributed among the holders of the ordinary shares in the proportion of one preference share for every ten ordinary shares. A first dividend of 5p per preference share will be payable on 2nd July, 1979, in respect of the period from the date of issue to 30th June, 1979.

JOHN LYLES Chairman 1st March, 1979

on 18th June, 1979.



S. Lyles Limited,

Jilling Ing Mills,

Dewsbury WF12 8LX

Earlsheaton,

(incorporated in the Republic of Zambia) QUARTERLY REPORT OPERATING AND SIMANCIAL RECLU

NCHANGA CONSOLIDATED COPPER

MINES LIMITED

··· OPERATING	AND FIN	VANCIAL I	RESULTS	-
		9 Months ended 31,12,78	9 Months ended 31.12.77	Year ended 31,3.78
PRODUCTION (Tonnes) Copper Lead and Zinc SALES (Tonnes)	96 665 14 568	287 508 47 585	294 197 43 878	377 156 51 633
Copper	84 393 13 192	256 545 42 372	315 889 38 184	384 560 46 027
tonne-Copper	1 148	1 067	1 014	1 002
Sales revenue—all metals Cost of sales	112.8 96.2	318.0 300.8	fillions 350.4 358.0	422.1 437.6
interest payable, less	16.6	17.2	(7.6)	(15.5
receivable and other income	(8.2)	(15.9)	· (143)	(18.9)
of associated companies	0.7	0.2	1,2	0.5
Profit/(loss) before taxation	10.9	1.5	(20.7)	(33.6)
LECEIATRIS	(0.1)	(0.1)	32.0	40.1
Profit/(loss) after taxation	30.8	- 1.4	11.3	6.5
Profit/(loss) brought	.—.		· — ·	(16.3)
forward	(12.0)	(3.2)	11.4	114
	(1.2)	(1.8)	22.7	1.6
APPROPRIATIONS: Realignment of currencies Preference shares — re-	0.4	(0.2)	0.8	4.7
demption and dividends Profit/(loss) carried	_		`	0.1
forward	(1.6)	(1.6)	21.9	(3.2)
	(1.2)	(1.8)	22.7	1.6

NOTE: On 27th February 1979. K1=US dollars 1.25188 and K1=UK £0.62106 (on 20th November, 1978, K1=US dollars 1,24322 and K1=UK £0.63673).

Ampanies INTNL. COMPANIES and FINANCE PENDING DIVIDENDS RECENT ISSUES

Jordanian fund to axe pensions

coperation the Jordanian Pension Fund has applied to withe Government for a change that transaction before dovernment for a change that transaction before drop its pension-paying Dawngrange in the function and concentrate their parts of the function of the Dawngrange investment, assistance, subsidia.

Before the projection general, Basil Jardanch.

The fund is responsible The fund is responsible for publicly to the paying retirement benefits that he will be some 30,000 Jordanians, in taking when mostly retired army per-indeed. Indeed, it would be amount to about JD 14m, or tain the quest personne \$44m. But the fund correspond to the payments from its own Board. Mr. of these payments from its own seems loss than ment making up the deficit.

prospects for than ment making up the deficit.

The fund registered profits
ment at Bourse of ID im fover \$2m) last year ment at Bourne of JD im (over \$3m) last year seriously seriously wenger from its investments, most of planning business, which are in the local indushopeful like trial sector in the form of years ago shareholdings in newly The established companies. The key to the bid set fund has JD 17m committed current record of big to investments in Jordan, out

Wycombo washed to investments and in of total assets this year of ing. Rossminster nr., JD 211m. with control of it. Because the pension-paying pany where hills scheme is not fully funded by the revalued with scheme is not fully funded by the revalued sites the 5 per cent of employee leave little to record the 5 per tent of withheld How a private salaries that is withheld ally con access of menthly, it would be more menuny, at women the penthose the partial series of the finance limelight contened Ministry and allow the Government field a existing pension fund apparatus to concentrate on its one investment programme, which includes a significant degree of identifying new industrial projects and bringing in appropriate foreign companies to form joint ventures. The new company would be called

NOTICE TO BOIR the Jordan Investment Cor-ITO-YOKADO to posal Mr. Jardaneh has pre-EABUSHIRE Sented to the Cabinet. IKABUSHIRI Sented to the Cannet.

ITO-YOUR Profits from the proposed.

CONVERN would be given to the GovernDEBENTING Would be given to the Govern-DUE AUGUST ment to help finance the pension payments. The Jordan CONTENT Investment Corporation would DUE AUGUST not take in deposits, as other-investment banks here are allowed to do. It would-however. carry out underwriting

Sharp profits fall affects Alusuisse

Sluggish U.S. sales for

MORE THAN 30,000 U.S. car 1,500 workers indefinitely.

workers will be idle at various proportion of these will be times this month because of excessively high dealer stocks of AMC opens a production line for its fast selling jeep utility

vehicle.

Ford and Chrysler

Alusuisse

depreciation in 1978 totalled

Swfr 333.5m, down from

before, Cash-flow dropped to SwFr 429.6m from SwFr 511.9m,

a decline of 16 per cent. Net profit of the parent company was SwFr 44.9m compared with

Chrysler is going to close four

of its five domestic car plants for at least one week each this month and will also halt a plant

producing vans and light duty

two plants, at Mahwah, New Jersey and Atlanta, Georgia,

this week and temporarily lay-

ing off 3,400 workers at each

1,840 tonnes, and that Russian

ing to note that Heraeus Handels-

one US gold auction of 5 million

ounces, compared with 1.5m at

sales will continue this year.

359.6m

BY OUR FINANCIAL STAFF

A SHARP reduction in profits shareholders are being asked to and a near \$100m rights issue put up a large slice of fresh were unveiled over the weck-end by Alusuisse, the major issue. Swiss company which ranks as one of the largest producers of aluminium in the world. duminium in the world.

Swfr 800 per Bearer share. The
Net profits on a group basis funding will raise a total of

dropped by 38 per cent to SwFr 159.6m, or \$95.5m. At the SwFr 94.1m (\$56.5m) in 1978 end of 1977, Alusuisse's longon the back of a decline of 9 term debt, including convertible per cent in sales to SwFr 4.95bn. and option loan stock, amounted Last November, Alusuisse pointed to a 12 per cent setback in sales for the first nine months of last year and said that shareholders could expect painful" drop in earnings for 1978 as a whole.

Consolation comes in the shape of a maintained dividend —SwFr 20 per Registered and SwFr 40 per Bearer share. But

Motors Corporation passenger

With the exception of Ameri-

can Motors, the problems stem from slugglish sales of par-ticular models rather than a general crisis. However, both

Ford and Chrysler are making

only minimal advances on last year's sales and both are find-

ing it much more difficult than

they expected to market their

redesigned, smaller car ranges.

At American Motors, however,

are down nearly 30 per cent on month, to 873,000 unlast year. AMC has been running pared with a year ago.

the difficulties are much sharper

its plant at Kenosha, Wisconsin,

for only two weeks per month since late last year. The com-

pany has now decided to reduce line speeds to cut daily car

by 30 per cent from

Irish Sugar earnings improve

By Stewart Dalby in Dublin

IRISH SUGAR, the semi-state owned concern, turned in capital, via a one-for-six rights modest 9 per cent increase in pre-tax profits for the year ending last September to £3,24m. The improvement came from share will be SwFr 400 and total group turnover of £106m higher, suggesting improved margins. Trading in sugar represented 50 per cent of total

> The main push behind the advance came from better results from agricultural trad ing and engineering, which pared with £2.9m in the comparable year. However, the troublesome Erin Foods subsia persistent loss-maker, margin-ally increased its profit from

While some observers have pointed out that the profits increase can be considered exsector companies in recent weeks, others point out that the company has been subject to unavoldable restraints.

The company plans a capital investment programme of £30m over the next five years, having spent £24.5m in a similar fashion since 1970.

Heavier losses at Borregaard

trucks. About 20,000 workers will be affected by these moves. Meanwhile, Ford is closing BORREGAARD, the Norwegian industrial group, reports net losses of NKr 39m for 1978 NKr 18.5m in 1977, but expects

better results this year.

The projected result of these It is passing the dividend for the second year running. The concern attributes last year's month, to 873,000 units, comwhich could not be offset by charging higher prices, to un-28 per cent above a year ago. favourable currency fluctuations The company's market share of and to a delay in starting prodomestically produced vehicles duction at a new Norwegian has elapsed nearly 5 per cent | chlorine plant in which Borre

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (Indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent, shown in the column headed "Aunouncement last year." Preliminary profit figures usually accommany final dividend announcements. profit figures usually accompany final dividend announcements.

	Das		Announce-		Yuuonuce-
	Date	8	ment lust	Date	ment last .
*AAH	Mar.	6	year Int. 2,75	*Lex ServiceMar. 8	year Final 2.7 Icsz
Equipment	Mar	31	Int. 0.8	"Liverpool Daily	Final 4.565
Ault and		• 1	IIII. V.O	Post., Mar. 21 London BrickApr. 6	Faria (1.9602 ·
Wiborg .	Mar 1	10	Final 1.3	*Low and	CAUGI 1.3007
Aurora	Mar.		Final 3.96	BonarApr. 2	Final 7.39
BICC			Final 4.8	Lucas	Fijiai 7.05
BPM	Mar	Ž i	Int. 0.8125	IndustriesMar. 30	Int. 2.334
			Final 3.507	*Metal	())). 2.334
Bank of	Mer	ž i	Final 4.62	ClosuresMar. 20	Final 2.5138
Bank of		•	11.61 4.02	*Midland BkMar. 9	Final 1.75
Scotland	Apr.	4 1	Final 5.449	Morgan	Linel 1155
Валтатт				CrucibleApr. 6	Final 2,204
. Developmis	Mar.	B 1	nt. 2.64 -	Newman-	1 11/41 24204
Barrow		-		TonksMar. 20	Int 3,559 fcst
Hepbutn	Mar.		Final 1.9331	News Intl Apr. 6	Final 4.9
Bell (Arthur)	Mar. 1	16	nt. 2.25 .	Ocean	1 11101 410
*Bibby (J.)	Mar. 1	13 i	Final 4.0373	TransportApr. 3	Final 4.3273
Booker				OfrexApr. 6	รากลไ 2.34
. McConneil.	Mar 2	2D F	inal 3 952 lost	Phoenix AssApr. 5	Final 5,77
Boweter		6 1	Final 5.7864	Prudential	
Bownng				AssMar. 30	Final 4.198
(C. T.).,	Mar.	22 1	na1 2.0393	Reckitt and	11101 -1100
*Surish				ColmanMar. 30	Final 6.9547B
Aluminium .	.Mar. 2	21	Final 30,0 fest	Reed	
British		_		(Austin)Apr, 6	Final 1 859
Petroleum.,	Mar, 1	16	Final 15.121	RockwareMar. 22	Fine1 3.2845
Brit. Printing		_		Rolls-Royce	
Corp Brooke Bond	Apr.	5	Final 2,4 ICSE	MotorsMar. 13	Final 2.4572.
Liebig.,	Mar. 9	u.	Int. 0.8319	Schroders Mar. 22	Final 8.4401
Cadbury	mar, I	146	Int. G.Data	Scottish	1 A B
Schwennes	Ann	8 (Final 2.09T43	Metro. grapApr. 4	Int, 0.9
			inal 5 302	Transport., Mar. S	Final 6.882
Collins		٠.	1	Slough	Liuer o'cov."
(William)	Mar. 1	16 1	Final 2.553	EstatesMar. 29	Final 1.615
Cons.				Smith and	Luner Lie (*)
Gold Fields			nt. 3 1916	NephewMar. 15	Final 1,6186
Croda Intri			inal 1.192 ,	Smith (W.H.) Apr. 5	Final 0.2978
Ductile Steels	Mar. 1	4 (nt. 1.9261	Spirax-	
English				SarcoApr. 3	Final 5.19
Property Expanded	Mar. 3	iu .	Final 1,05 fcst	"Steatley Mar. 15	Final 3.9652
Meta)	R44. 2	n 1	inal 2.03	Stone-Platt	
Fairclough	mar. 2	יו עו	(mai 2.09	Inda., Mar. 29	Final 1.33
Construction,	Mar. 1	4 1	inal 1,388	Sun AllianceApr. 5	Final 9 245
Fisons			inal 7,364	WasdrowApr. 5	Fnt. 6.4853 test
Guest Keen &				Tilling (T.)Mar. 22	Final 2.315
Nertielaids	Apr.	4 F	inal 10.059	*Turner and	11141
Hall .			.,	Nowell Mar. 6	Final 6.0955
Engineering	Mar. 2	9 F	inaj 2 2128	*UnileverMar. 6	Final 7.84
Hebwarth				*Tube	
. Ceremic .	Mar 3	0 F	inal .1.75 .	investmtsMar. 21	Final 11,124
House, of	84			United	
Freset	Mar. 3	O F	inal 3.0776	BiscurtsMar. 14	Finel 3.634
*Howden				VosperMer. 14	· Final 2.5 icst_
(Alexander). Jacobs	iaugi. 🧟	9 P	inal 4.09	"Walker (Jas.) .	
(Jehn 7.):	L1	1 6	inel 1.2991	GoldsmithMer. 14	Int. 1.0 ·
Johnson and	eldr		1061 1.2851	*V/eleriord '	
Firth Brown.	Feb. 3	3 /	nt. 1.3 °	GlassMar. 30	Final 0.7395
Kleinwort Bense	ים יבי	- 1		Weir GroupMar. 21	Finai 3.509
Lonadaie		3 6	inal 2.4702	Willia FaberMar. 20	Frnai 6.125
INT	B4 9	λ i.	- 3 8.00	Wolseley-	

I.G. Index Limited 91-351 3466. Three month Gold 252.1-255.3. 29 Lamont Road. London SW10 0HS.

The commodity futures market for the smaller investor,

Board meetings intimated. † Rights ue since made. † Tex free. § Scrip

CLIVE INVESTMENTS LIMITED Index Guide as at February 20, 1979 (Base 100 on 14.1.77)

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London, EC3V 3PB: Tel.: 01-623 6314.

Index Guide as at March 1, 1979 Capital Fixed Interest Portfolio

			•	LUDITE	•		
issue Price p;	Amount Paid Up	\$ 50	8,79 Low	Stock	Closing Prico	Amount	Times Covered Gioss Yield P.E.
65 95***	F.P.	16:2 150 9/2 41	1-18 Hi 	siedonian Hidgs unting Assoc.Def .Y. Dart Defd edgwick F.New10	d. 147 41	+6 (7.3) 75.0	1.6 7.4 12.5 - , - , - 2 1 7.1 9.8

FIXED INTEREST STOCKS

- entra	Am'un Paid un Latest Renum Date	1978/79 High Low		Stock		Price	+9
. 44	F.P. 23-2	55n. 53n	Chepstow Ra	s 931% Pref . ce'e 5% Cnv. 1	Jns. Lp.1988	55p.	1100
98	E10 —	101, 94	Mid-Southern	rv. Cum. Red. Water 82 Re	d., Pre/1984	100p	
100p	F.P. 11/1	108p 1002p	Rivington Red Shaw Carneti	ed 912%Cnv.Cu	m.Red.Pref.	108p	

"RIGHTS" OFFERS

issue Price, p;		!!	Late Rent Da		1974 High	B/9	Stock	Prides prides
125	F.P	ď	9,2	23/3	171	154	Baker Perkins	160 -2
C\$212	Nil	,			24pm	18pm	Bank of Nova Scotia	19pm 1
60	Nil		6:3	27.4	18nm	6om	Burco Dean	16nm 1
220.	F.P	ı_`	14/2	6.4	284	238	Haslemere Estates	284 +4
60	F.P				67		Hawkins & Tipson,	
33	Nit	٠.	_	-	5nm		Hirst & Mallinson	
67	Nii		7,5	20.4	16pm	712 pm	Macpherson (Di	16pm
58	, F.P		26/2	26:3	- 66	61	Montfort	61
	NII	٠.	12/3	20.4	40nm	7nm	Rank Org.	53pm - 6
27	NII	,	14.3	25/4	10pm	8pm	Sekers inti	9nm -1
18			14/2	14/3	2634	23	Swan Ryan Inti	26
274		•	10.7	- 0.4		22	A COL. 113 COL. 1114 C	

indictions of prospectus estimate, it Assumed dividend and yield. A Forecast dividend: cover based on previous year's eliminist to buildend and yield based on Mospectus or other official estimates for 1979, it Gross if Figures assumed Cover allows for conversion of shares not new ranking for dividend or ranking may for restricted dividendes. Placing price to public, if Penco unless other was indicated. I issued by tender. Official to holders of ordinary shares in "rights." I issued by tender. Official to holders of ordinary shares in mights. See Issued by our of capitalisation. Fig. Reinfroduced. It issued in onnection with reorganisation, marger or take-over. If introduction. If issued a former preference holders. Mallotment letters (or tally-paid). Of Provisional partity-paid allotment letters. With warrants. If Unlisted security.

BASE LENDING RATES

	HILL HALLES
A.B.N. Bank 13170	Hambros Bank 133 mg
Allied Irish Banks Ltd. 13 %	■ Hill Samuel
. Amro Bank 131%	C. Houre & Co
American Express Bk. 131%	Julian S. Hodge 141%
A P Bank Ltd 131%	Hongkong & Shanghai 131% Industrial Bk of Scot 131%
Henry Ansbacher 13100	Industrial Bk. of Scot. 1316
Associates Cap. Corp, 14 %	Keyser Ullmann 13[%
Banco de Bilbao 1310,	Knowsley & Co. Ltd 14100
Bank of Credit & Cince. 131%	Lloyds Bank 131%
Bank of Cyprus 131%	London Mercantile 1314
Bank of N.S.W 13176	Edward Manson & Co. 141%
Banque Belge Ltd 14 %	Midland Bank 131%
- Banque du Rhone et de	Spinuel Montagu 133 %
la Tamise S.A 14 %	■ Morgan Grenfell 13100
Barclays Bank 131%	National Westminster 131%
Bremac Holdings Ltd. 14:10	Norwich General Trust 131%
Brit. Bank of Mid. East 131%	P. S. Refson & Co 131%
Brown Shipley 1319,	Rossminster 1310
Canada Perm't Trust 1310	Royal Bk. Canada Tst. 131%
Cayzer Ltd 14 %	Schlesinger Limited 131%
Cedar Holdings 131%	E. S. Schwab 1410
Charterhouse Japhet 121%	Security Trust Co. Ltd. 11100
Choulartons 13 %	Shenley Trust 15 %
C. E. Coates 1310	Standard Chartered 181%
Consolidated Credits 131%	Trade Dev. Bank 137%
Co-operative Bank 137%	Trustee Sayings Bank 131%
Corinthian Securities 13 %	Twentieth Century Bk. 147%
Credit Lyonnais 131%	United Bank of Kuwait 131%
Duncan Lawrle 13 %	Whiteaway Laidlaw 14 😘
The Cyprus Popular Bk 1319	. Williams & Glyn's 131 %
Eagil Trust	Yorkshire Bank 1310
English Transcont, 131%	Members of the Accepting Houses
First Nat. Fin. Corp 14 %	Committee. * 7-day deposits 11%. 1-month
First Nat. Sees. Ltd 14 %	dupocits 11%".
Antony Glbbs 1310	7 7-day deposits on sums of £10 CPN and under 11%, up to £25,000 11%, and over £25,000 11%%.
Greybound Guaranty 131%	and under 11%, up to £25,000 file, and over £25,000 file;
Grindlays Bank‡131%	* Call deposits over £1,000 11°
Guinness Mahon 13. 7.	§ Demand deposits 11%.

CURRENCIES, MONEY and GOLD

March 10 and to lay off some and is touching 60 per cent.

An uncertain year for gold

BY COLIN MILLHAM

incertain year in the bullion reserves, narket. Recent publications on Samuel the subject are in general accord. on most factors influencing trading, including the volatile nature

of the market.
Samuel Montagu in its annual review sees no reduction in speculative activity, and that much will depend on the performance of the dollar in coming months.

According to a precious metals survey published in Zurich recently by Credit Suisse, the market is becoming increasingly

CURRENCY MOVEMENTS

	Mar, 2	England	Morgan Guaranty Changes %
75	Sterling.	64.46	-39.9
	U.S. dollar	84,75	-8.2·
e" j	Canadian dollar	79,47	-1B.2
•	Austrian schilling	147,28	+19.8
2	Belgian franc	114.46	+14.9
31	Danish krone	118.06	+6.8
	Deutsche Mark	150.63	+42.2
	Swiss franc	195.31	+82.2
	Quilder	. 125.21	+91.1
	French franc	99.43	-6.2
	Lira	54.21	-49.4
		140.74	+39.6
	Yen		
	Based on trade we	ugntea cha	inges mom

It is likely to be a nervous and reliant on supplies from official

Samuel Montagu and Credit Suisse agree that total supplies in 1979 will increase by at least 20 per cent, if U.S. Treasury sales continue at their present level, and that this could lead to a major setback for the market.

Montagu feels that a large fall is unlikely however as long as confidence in currencies remains at a low level. The British bank also points out that if U.S. anti inflationary measures succeed, and a rising dollar leads to a sharp fail by gold, central banks can be expected to absord the metal to prevent too sharp a decline in the value of their market related reserves.

Credit Suisse suggests that the series of U.S. auctions is unlikely to end before September, but that supplies from other sources, such as South Africa and the Soviet Union may tend to ease. The Bank says that South Africa is reserving large amounts of its output for kruger-rand minting, while Soviet sup-plies have stopped. Montagu, however, estimates that Soviet sales were 430 tonnes in 1978. out of total market supplies of

	MAP. 2	Mar. 1
Close Opening Morning fixing	£123.009) 5248.00	\$2484, 249
Cold	Coine deman	tion liv

Krugerrand .3269-275 | \$271.275 | (£135-135) | £154, 1364) | \$694.714 | \$694.715, 5094.715, \$694.715, \$694.715, \$695.77 | \$75.77 | \$75.77 | \$20vereigns (£37-36) | £37-5-8) 1979 is difficult to foretell, while the \$250 level has seemed to be something of a pschological bar-rier recently. It may be interest-Gold Coins, Internationally

geselischaft, a German precious metal dealer, has suggested that it may reach \$300, helped by the present wave of political unrest arousd the world, but also mentioned the possibility of at least the possibility of a pulling one IIS need a particular to the possibility of a million.

THE DOLLAR SPOT AND FORWARD

è	March 2	spread	Close	One month	p.e.	months	p.i
s	UK	2.0200-2.0230	2.0215-2.0225	0.40-0.30c pm	2.08	0.97-0.87 pm	_
_	reland	2.0200-2.0230	2.0215-2.0225	0.40-0.30c pm		0.97-0.87 pm	
)	. Canada f	24.38-84.55	B4.52-84.55	par-0.2c pm	0.21	0.3-0.1 dis	-0.1
T	Nethind.	2.0040-2.0070	2,0040-2,0060	0.63-0.58c pm		1,79-1,73 pm	
a	Balgium	28.34-29.40	29.38-29.40	912-812c pm	3.40	231 ₂ -22 pm	2.9
	Denmatk	5.1870-5.2068	5.1885-5.1900	par-0.5ore dia		2.0-2.50 dis	-1.6
d	W. Ger.	1.0555-1.8506	1.8555-1.8565	1.12-1.08pf pm		3.05-3.01 pm	6.3
Ė	Portugal	47.57-47.73	47.63-47.73	30-40c dis	-2 81	70-135 die	-8.8
e	Spain	W.05-69.25	89.09-69.14	19-33¢ dis		50-70 dia	-3.3
	toly	841.50-842.50	841,50-841,90	0.60-0.50tire dis	-1 10	2.8-3.3 dia	-1.5
-	Norway	5.0870-5.0820	5,0872-5,0682	1.0-0.5ore pm		1.8-1.3ore pr	
)	Franca	4.2810-4,2355	4.2810-4,2835	1.18-1.08c pm	7 00	2.8-2.65 pm	0 1.2
	Swinger	4.3640-4.3705	4.3650-4.3680	0.80-0.60ore pm	2 26	2.25-2.05 pm	2.4
	Japan	204.00-205.20	204.60-204.80	1.38-1.28y pm	7 77	2.23-2.Up pm	
t	Austria	13.60-13.61%	13,60-13,61	7.75-6.75gro pm	7.37	3.65-3.5 pm	8.8
3	Switz.	1,6750-1,6795	1.6755-1.6770	. 1.54-1.50c pm	0.23	21-18 pm	5.6
7	GAME:	1.0100-1.0700				4.42-4.38 pm	70.2
Ī		7.37.	t U.S. cente	per Canadian S.		47.5	

THE POUND SPOT AND FORWARD

Day's Spread Close One month P.s. Three p.s.							
Cenada 2.3895-2.4000 2.3980-2.3990 0.45-0.35c pm 2.00 1.05-0.95 pm 1.6 Nethind,	March 2	Day's spread	Close	One month			P.1
	Canada Nethind, Belgium Denmark W. Ger. Portugal Spain Italy Norway France Sweden Japan Austria	2.0200-2.0230 2.3895-2.4000 4.04-4.06 ¹ / ₂ 59.25-89.55 10.471 ₂ -10.52 ¹ / ₂ 3.74-3.77 96.00-96.85 139.50-138.90 1,639-1,703 10.271 ₂ -10.30 ¹ / ₂ 8.64 ¹ / ₂ 4.68 8.81 ¹ / ₂ -8,84 ¹ / ₂ 410-418 27,45-27,60	2.3990.2.3990 4.044-4.053 59.40-59.50 10.48-10.49 3.75-3.76 96.10-96.60 139.50-139.70 1,700-1,701 10.22-10.29 8.65-8.66 8.813-8.823 413-415 27;50-27.55	0.45-0.35c pm 24-14c pm 20-20c pm 20-4core pm 30-100c dis 15-55c dis 14lire pm-4lire 44-34c pm 34-14-c pm 34-14-c pm 35-3-30y pm	2.00 5,18 5,06 1,43 8,79 -8,10 -3,01 dis 0,18 3,79 6,20 3,40 9,85 8,72	1.05-0.95 pm 5½-4½ pm 75-65 pm 1 pm-1 dis 8½-7½ pm 40-210 dis 30-140 dis 1½ pm-½ dis 8½-6½ pm 91-8½ pm 93-8½ pm 93-9.00 pm 57-47 pm	1.6 5.1 4.7 9:2 -5.1 -2.4 0.1 2.9 4.0 3.5 8.8

OTHER MARKETS

	Mar. 2	£	6	L	<u>£</u> Note Rates
í	Argentina Peso	2237-2247	1100-1110	Austria	26.75-27.75
•	Australia Dollar	1.7970 1.8010	0,8895-0.89QD	Belgium	59.5-60.5
	Brazii Cruzeiro	44.25-45.35	21.95-22.45	Denmark	10.46-10.56
•	Finland Markka	8.03-8.04	3.9715-3.9765	France	8.61-8.71
	Greek Drachma	73.118-74.900		Germany	
	Hong Kong Dollar	9.7414-9.7534	4.8260 4.8300	italy	1,670-1,720
	Iran Rial	147.60-157.70	73.78	Јарап	408-418
	Kuwaii Olnar (KD	-0.550-0.560	0.2748-0.2749	Netherlands	4.00-4.10
	Luxembourg Frc.		29.88-29.40	Norway	10.24 10.34
,	Malaysia Dollar	4.4312.4.4454	2.1940-2.1950	Portugal	89.5-96.5
	New Zealand Dir.	.1.9150-1.9310 (0.9474-0.9497	Spain	139-5-144.5
	Saudi Arab. Riyal	6.74-6.84	3.3605-3.3625	Switzerland	3.35-3.45
	Singapore Dollar.	4.5712-4.3834	2.1680-2.1690	United States!	2.0200-2.030
	Rh. African Rand	1.7015-1.7129	0.8415-0.8470	Yugoslavia	41-43

Rate given for Argentina is free rate.

Mar. 2	PoundSterling	U.S. Dollar	Doutschem's	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Gulld'r	Italian Lira	Canada Dollar	Belgian Fran
Pound Sterling U.S. Dollar	0.495	2.022	3.755 1.867	414.0 204.7	8.655 4.280	3.393 1.678	4.053· 2.004	1701. 841.0	2.399 1.186	59.45 29.40
Deutschemark	0.266	0.539	1.	110.3	2.505	0.905	1.070	452.9	0.689	15.83
Japanese Yen 1,000	2.415	4.884	9.070	1000.	20.91	8.194	9.789	4107.	5.793	148.6
rench Franc 10	1.155	2.336	4.339	478.3	10,	3,920	4.682	1965.	2.771	68.69
Wiss Franc	0.295	0.596	1.107	122.0	2.551	1.	1.195	501.3	0.707	17.52
Outch Gulider	0.247	0.499	- 0.927	102.2	2.136	0.837	1.	419.6	0.592	14.67
talian Lira 1,000	0.588	1.169	2.208	243.5	5.090	1.995	2.383	1000.	1.410	34.96
Canadian Dollar	0.417	0.843 . 3.401	.1.566 6.316	172.6 696.4	3.609 14.56	1.414 5.706	1.690 6,817	709.0 2860.	1. 4.084	· 24.79 100.

LONDON MONEY RATES

Mar. 2 1979	Sterling Certificate on deposit	interbank		Local Auth. negotiable bonds	House Deposits	Сотралу	market deposit	Treasury	Bills 4	Trade Bills ф
Overnight	15-12-4 12-3-12-2 12-3-12-2 12-3-12-4 11-2-11-6 11-4-11-6	1212	131 ₈ 131 ₄ 121 ₂ -131 ₂ 123 ₈ -13	1314-1312 125e-1251 125e-1252 115e-1252 115e-1354 12	15% 13% 13% 15 121 1214 1218	131 ₂ 133 ₅ 137 ₄	10-13 	Ξ.	15 12.12.2 12.12.2 11.1.11.4	=
							· Caral	A 1 14		

and three-month 11's 11's per cent, our both the Finance Houses Association) 13's per cent from March 1, 1979.

Finance Houses Base Rates (published by the Finance Houses Association) 13's per cent from March 1, 1979.

Finance Houses Base Rates for small sums at seven days notice 11 per cent. Clearing Bank Rates for lending Clearing Bank Deposit Rates for small sums at seven days notice 11 per cent.

Treasury Bills: Average render rates of discount 11 9709 per cent.

	MONEY RATES	
_	NEW YORK	
-	Frime Rate	10.125
	GERMANY Discount Rate Overnight Rate One, month Three munths Six months	4.075 4.15
_	FRANCE	
y	Discount Rate Overnight Rate One month Three months	9.5 6.625 6.9375 7.3125

Two trading nations on opposite sides of the Eurasian continent, the U.K. and Japan have so much in common that it is almost difficult to

distinguish between them. Both are island nations. Both are parliamentary democracies with long royal traditions. And both are leading industrial powers.

Like the British, the Japanese businessmen and consumers are conservative in the true sense of the word. They put value on continuity and like to do business with their friends. Yet we both recognize the need for equilibrium in international trade,

As to the bilateral trade imbalance between us, the obvious solution is to know each other better and thus to encourage British exports to Japan. That is precisely why this Import Promotion Mission has been formed and why it is spending several days in the U.K. meeting businessmen, -government - officials, --journalists, opinionleaders, and "just plain people."

There are limits to the amount of trade that can be generated in just several days, but we hope

the Mission will generate greater British interest in exporting to Japan and greater British awareness of the Japanese market's receptiveness to British goods.

Managing Firms

Leaders Group

MARUBENI CORPORATION

Foodstuffs and Consumer Goods Group MITSUKOSHI LTD.

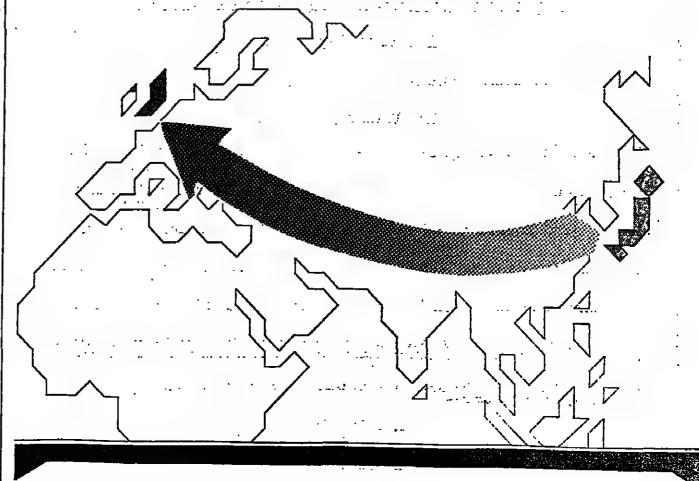
Investment Group THE BANK OF TOKYO LTD.

Machinery Group MITSULE CO., LTD.

Textile Group C. ITOH & CO., LTD.

JAPANESE IMPORT PROMOTION MISSION

98 Top Business Executives from Japan to Promote Mutual Understanding and Trade



N.Y.S.E. ALL COMMON

Hope for insurers in U.S. draft law

BY OUR INSURANCE CORRESPONDENT

PRODUCT liability problems, whether established by statute particularly in the North or judicial process. Applying American context, continue to the full rigour of the law is make insurers anxious. So a useless luxury for the victims operators on both sides of the lf firms in the manufacturing Atlantic must be cautiously and supply chain have not the optimistic for some improve funds to pay compensation, and ment — admittedly not have been unable to secure immediate but long term—in insurance protection. The fast-U.S. products litigation, now rising price and ever-reducing that the U.S. Department of Commerce has unveiled its draft cover in the U.S. has been one

Commerce has unveiled its draft model product liability law.

It results from a study by a working party — the "Task Force on Product Liability and Accident Compensation" — chaired by Professor V. E. Schwarz of the University of Cincinnati Law School. The working party's job was to examine the ever-increasing liability burden on manufacturers and retailers in the U.S. —and on their insurers. The outside observer might think this burden is very much caused by the activities of consumerist lawyers, the workings of the American contingent fee system, and the unpredictability of American civil juries.

The draft model law makes no attempt to deal with these foodsmoothed features of the U.S. has been one of the underlying causes of the under

attempt to deal with these fundamental features of the U.S. fundamental features of the U.S. legal scene. In its final form, and when approved and enacted by each individual state legislature wanting it, the law must work within each state's existing legal system, subject to that system's constraints.

The working party requested the prevention costs and transaction costs, "—is not easy to fulfil within the tort litigation system, the working party admits. One way to minimise transaction costs, it says, would be to abolish trial by jury. But it feels "this would be at the expense of other societal values."

The working party requested comment and criticism on the draft within 45 days. One wonders how strict it will be individualised judgment of in keeping to its own timetable. It says it hopes to publish a final version of the draft model those judgments."

law by mid-aummer.

The main—and excellent—
aim of the model law is to
balance the interests of product
users and sellers, implying this particular nottle much more
surely that things had gone
from in the users.

A point of view certainly, but insurers in and out of the U.S. must hope that another task force in a few years will grasp this particular nottle much more firmly. much too far in the users' favour. With this model law, the working party sets out six criteria for evaluating the new law's provisions. Top place goes to insurance, for the first criterion is to: "Ensure the availability of affordable product liability insurance with adequate coverage, to product sellers that coverage, to product sellers that Over 5, up to 10...
engage in reasonably safe Over 10, up to 15...
design end quality control Over 15, up to 25...

Price and availability of product liability insurance is crucial to the successful operating of product liability laws, ing of product liability laws,

Senior post at LPC holdings

Mr. R. Fletcher has been appointed a director of FEN. Metals Group.

Mr. Arthur Brown has been elected president of the British section of the SOCIETE DES INGENTEURS ET SCIENTIFI-QUES DE FRANCE (formerly known as the Societé des Ingénieurs Civils de France).

Mr. Jim Potter has been appointed a director and general manager of the Bristol based operations of JAMES CLARK AND EATON.

Mr. Gerl Salzmann has been appointed general manager of MARSTON OELCHEMIS GmbH, Cologne, a subsidiary of Marston

Mr. C. A. Toone has been appointed a director of AUDITS OF GREAT BRITAIN responsible to the operations director for all aspects of data processing.

Mr. B. B. Carey and Mr. W. J. Woodhouse have been appointed joint managing directors of FRY'S METALS GROUP following the retirement of Mr. V. B. Elliott. Mr. B. B. Carey be-comes managing director of Fry's Metals Limited. Mr. W. J. Wnodhouse is chairman of the other operating companies in the group — Durastic, Geo. Johnson and Co. (Birmingham) and Fry's

Public Works Loan Board rates

Effective from March 3

prevention costs and transaction

121 131 131 131 131 131 13! 13! 14 14! 14! 13| 14| 14| 14\ 14\ 14\

Mr. John L. Robinson, who in Metals (Graphics), while conjuncted the group in May 1978 as tinuing as assistant managing group financial controller, has director of Fry's Metals Ltd responsible for sales and for the Flowsolder and Bronze divisions. Mr. M. J. G. Henderson has been made vice chairman of Fry's made vice chairman of Fry's

SECURE, a member of Ductile
Steels.

* Mr. Chris Evans has been appointed by CLEAN BLINDS, a member of the OCS Group, chairman of the Moss BRIDGE YARN but remains chairman of that Board for the further development of the successor is Mr. Derek Miles, production director of Venture Carpets.

* Mr. Chris Evans has been appointed by CLEAN BLINDS, a member of the OCS Group, chairman of a subgroup specialising in blind manufacturing and servicing. He will be responsible for the further development of the four companies within the group: Clean Blinds, Lelliotts (Worthing), Edwin Phillips and J. W. Dixon and Son. J. W. Dixon and Son.

*TUDOR SAFETY GLASS COMPANY, part of the Royal Doulton
group, has been reorganised into
two separate divisions. Mr.
Geoff Barrett is managing
director of the architectural
glass section, while Mr. Ken Ball
is appointed managing director
for the laminated windscreen
department. department

Mr. S. H. Preston has been appointed marketing director of PLATT SACO LOWELL, a sub-sidiary of Stone-Platt Industries. He takes over responsibility for the total marketing function from Mr. N. K. Evans who retains the position of deputy chairman.

TEL AVIV

ALLO ATE		
Company	Mar. 4	Change on the week
Benking, insurance and it Bank Laumi is larget, in IDB Bankholding	372 383 666 .	- 15.0 + 2.0 - 5.0 - 10.0 - 2.0 - 14.0 - 13.0
Land Development Atmos Israel Inv. IE10 Israel Land Devpt. Br. Property and Building .	960 228 326	-110.0 + 0.5 - 20.0
Public Utility Israel Electric Cpn	305	- 10.0
Investment Companies Bank Leurn Invest "Clai" larget invest Discount Invest	375 371 301	- 41.0 - 7.0 - 15.0
Commercial and Industry Alliance Tire & Rubber Elco Br.	1,395	- 25.0 - 10.0

Indices

NEW YORK -DOW JONES

	Mar. Mar. Feb. Feb. 27		Eats Eats -		1978-79		Since Compil'to			
	mar.	mar.	28	27	26	23	High	Lew	High	Low
	.—	_								•
♦ industr'is								749,12 (28/2)	1951,79 (11/1/13)	61,22 (2/7/62)
H'me B'nds					f		80,88 (4)1/78)	84,38 (15/1/79)	-	_
Transport	<u>208</u> .56	207.58	205,83	205.78	210,95	211,19	261,48 (8/9)	185,51 (9/1/78)	278,88	12,25
Utilities	105,11	103.11	102,30	102,28	105,45	104,18	110,58 (3/1)	97.76 (20/12)	165.62	16.58 (28/4/62)
Trading vol	23,190	23,839	25,170	51 ,47 0	22,620	22,840	_	-	-	
e Day's high	818.1	7 10W	807.20	5						. –

	Fsb. 23	Feb. 16	Feb. 9	Year	ago (approx
ind. div. yield %.	5.95	5,91	5.95	i	6.14
STANDARD AND POORS			. •		
1	E . Eab	Fab Fab	1978-7	r9 ;si	nceC'mpil't'
Mar. Mar. 2 1	26 27	26. 23	High I	.ow :	High Low

Composite; 86.97	- 1		97.67 97.	(12/9) (78 (108 98V 8	6/5) (11/1/73) (3 6,90 125.65 6/5) (11/1/63) (1	4.40
		Feb. 28	Feb. 21	Feb. 14	Year ago (ap)	prox).
Ind. div. yield \$		5,28	5.07	5.07	5,57	
Ind. P/E Ratio		8,75	9,01	89,8	8,40	

9,06 9,01 8,98

TOKYO ¶

十 5 +14 +16 +10 + 9 + 5

4 5,25 ,+ 4.25

+ 4.75

74.75 72

HONG KONG

FINT

EUROPE

YIENNA

Creditanstalt.... Perimoper..... Selecta...... Semperit Steyr Daimler... Velt Magnesit...

Long Gov-Bond Yield

		الأربين والمرابطين والمراب والمراب والمرابط والمرابط والمرابط والمرابط والمرابط والمرابط والمرابط والمرابط والمرابط	
AMSTERDAM		BRUSSELS/LUXEMBOURG SPAIN	
Mar, S	Price + or Div. Yid.	Mar. 2 Price + or Frs. Yid. Asland	cent 31 86
Noid (FL20) Nozo (FL20) Nozo (FL20) Now (FL10) Now (FL10) NokaW (FL10) NokaW stmr[FL20] NokaW stmr[FL20] NokaW stmr[FL20] NokaW stmr[FL20] No (FL20) No (F	120.0 + 8.6 228 5.7 30.5 + 0.1 357 + 4 A23 6.5 90.5 + 0.7 90 5.6 76.2 + 0.6 25 6.6 88.7 + 0.7 26 5.9 122 80 6.6	Arbed	08 270 34 49 63 83 10 10 62 82 82 87 80 83 87
ice (FL20) GEM (FL10) GEM (FL10) GEM (FL20) An Ommeren akthoed (FL20) Hischver(F100) bbeco (FL50) boranto (FL50) boranto (FL50) boranto (FL50) avenburg okyo Pac Hidel Hillower (FL20)	171.8+0.8 38 4.8 22.5+0.6 24 8.6 169 +5 -1 -1 45.2-0.8 -1 -1 55.5 1.6 -1 12.5 1.6 1.5 1.	Solvay	65 71 62 00 67 43 30 14.75 72
olker Stevin	91.5.—0.5 10 6.0	East Asiatic Co. 1364+4 IS 8.9 STOCKHOLM	

26.4	8.1	COPENHAGEN +							
#19.5 55.75 20		Mar. 2	Price Kroner	+ 97	Div.	Yka.			
30.38 42.8 80.38	6.9	Andelsbenken Danske Bank	1434 1274		:12	7.6			
10 83	6.0 6.8	East Asiatic Oo. Finansbarken Bryggerier	1364		13 13	8.9 9.0 4.5			
Div.	जान ।	For Papir	1054 1274		19	8.7 3.6			
%	₹.	Nord Kabel	1893,	+14 +4	12	6.5			
10 9a 36	3.9 3.4	Ollefabrik Privatbank Provinsbank	198 1401s 1471s	-1 +4	18	9.8 7.6			
	8.7	Soph-Serensen.	370	+14	12	3.3			

ndelsbenken anske Bank ast Asiatic Oo . inansbanken	1974 + 4 1864 + 4 156 + 1	19	9.5 9.9 9.0	STOCKHOLM	
ryggerier or Papir or Papir nthn H (Kr90) ord Kabel orvlnd'stries B efabrik rovinsbank oph.Berensen. uperfos	264 10514 — 34 12724 + 14 200 18934 + 134 146 1478 + 14 1478 + 13 370 + 119 178 + 3		4.5 - 8.7 - 8.6 - 8.7 - 9.9 - 7.6 - 8.7 - 6.7	Mer. 8 AGA AB (Kr. 40), Affa Laval(Kr.50) ASEA(Kr.50) AtlasCo'co Kr88 Billerud Bofors Cardo Celluloss Elec'lux'B (Kr80	
ERMANY +				Ericason B (Kr50 Essetto (Free) Facersta	4

9.0					
4.5		Price Kronor		Div. Kr.	Yid.
8.7 3.6 6,5	AGA AB (Kr. 40). Alfa Laval(Kr.50	130	-8 +8	6	8.9 4.6
3.7 0.8	ASEA(Kr.50) Atlas00'go Kr25 Bilierud	74.5 104 53	+4	7.	6.7 6.7
7.6 3.2	Gardo	125 181	111	5.7L	5.2 5.2
6.7	Cellulosa Elec'iux'8'(Kr60' Ericason 8 (Kr60			10 5.25 5	4.1 5.0 4.6
	Esseite (Free)	191	+2	8	2.6 5.5
71d. %	Granges (Free) Handelsbanken Marabou		-1 +1	18.5 8	6.2 5.3
_	Mo Och Domeio Sandvik B Kriili	241	-2	5,75	
3.5	S.K.F. 'B' Kr.50 Skand Knakilda.	149	+2	4.5	7.0

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VITZERLAND	•	

andstik SfKr60 73.5 + 1.0 5 6.8 Heng 1 dderkolm 64.5 + 3.5 5 7.5 Hong 1 Hg. Kg	Kong Land	1 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7
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Bancodo Brazil, Banco Itau PN., Balgo Mieira OP Lojas Amer O.P. Petrobras PP., Pirelli OP., Souza Cruz OP.,	55 + 55 + 97 + 02 + 68 + 71 + 95 +	0.81 G 0.08 G 0.08 G 0.08 G	19" 37" 20" 13" 16 9	7.8 17.7 1.5 1.5 1.7 1.5

Tumover Cr. 89.1m.	Volume	62.
"Source : Rio de	Janeiro SE	
OHANNESBURG		

Щ,		Source : Rio de .	Janeiro S	E.
		JOHANNESBURG		
		Mine	5	- 1
		March 2	Rund	Her
	For	Angle American Cpn.	7.10	-0.3
Ł, #	1	Charter Consolidated	4.40	11.7
		East Driefontein	15.00	⊢0.4
.71	+0.81	Elebura	7.73	. — 9.6
OX		Hermony	7.50	. ÷0.3
.08 .50	+0.02	Kinross :	\$6,70	-0.2
.50	+0.02	Kloof	13.00	-0.4
-76	+8.01	Rustenburg Pietinum .	3,00	-0.1
-00	Britain .	St. Helena	18.60	-a.4
.36 .85	+8.91		11.20	0.1 €
.76	THE DE	Gold Fields SA	33,60	. 77
.53	1	Union Corporation	7.00	
20.	10.01	De Bears Deferred	11.750	H-0.19
.99 .21	+0.02	Blyvoorultzicht	6.60	-0.30
.02		East-Rand Pty.	\$8.15	
.37	+0.02	Free State Geduid	±33.00	_U.50
.98		President Brand	19.40	-0.10
.90 .75	+0.05	President Steyn	14.25	-0.36
.75 .65	+8.05	Stilfontein	7.80	. —g.30
.86	H-0.01	Walkom		-0.65
65	+0.06	West Driefontein		1.60
.28	******	Western Holdings	40.25	-0.25
.29		Western Deep	16.00	-0.25
.93 .80	+0.02	INDUSTRIA		
.72	+0.02	AECI	4.10	· '+9.05
46	******	Angio-Amer. Industrial	12.80	-0.20
58	+0.08	Barlow Rand	5.40	+0 5
00		CNA investments	2.00	4
.88	+0.05	Currie Finance		-
21 45	******	De Beers Industrial	0.92 15.25	
56		Edgara Consd. Inv	3.60	
46	+0.10	Edgara Stores	140.00	-4.00
87	+0.82	Ever Ready SA	2.80	
36	+0.0T	Earl Vall 1		
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15	+00.7	Greetermans Stores	3,70	-0.05
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25	-0.01	LTA	2.45	
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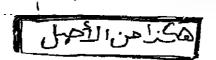
NE	W Y	ORK	•	
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60% 36%	271; 431;	Atl. Richfield	883,	
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51 j 27 j 31 ja	44 14 25 1	Avon Products Balt. Gas Elect	461g	
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2812 40.	21% 30%	Beatric Food Bect'n Dick'nson		
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181 ₂ 183 ₄ 391 ₂	12. ₈	Borg Warner . Braniff Intl Brascan 'A' Bristol Myers .	1814 3254	3
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2114	121:	Bucyrus Eria	1717	7
101± 4514	5 55% 58%	Bulova Watch	3911	2
86.6 38 22%	311 ₃	Burrough Campbell Soup 'Canadign Pacific	64 54 33 12 20 28	4
12!4 32%	91 ₈ 2414	Carnation	101 ₂ 261 ₂	3
13 20:4	10 % 14 45 %	Carrier & Gener.	164	3
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17 247s	1414	Central & S.W	151; 171;	1
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371s	275 36	Ch'se Manhattan Chemical Bk. NY	28ig 37au	2
2712 3519	20% 25%	Chesebugh Pond. Chessie System	2312 2712	3
50:4 13:4	42 85	Chicago Bridge Chrysler	95,	
371 <u>:</u> 294 58%	18: ₄ 19: ₅	Citicorp	32 221 ₂ 531 ₂	337
18 is 315s	113a 234	City Investing.,	15 285e	1
46 a 22 h	3514 1614	CocaCola Colgate Paim	411d	3
131g 293g	85e 251,	Collins Aikman	9 271	2
25 26 204	1334 1478	Columbia Pict Com.insCo.of Am	195 ₁ 16 ₁₄	3: 4:
4314 201 ₂	511 ₁	Combustion Eng. Combustion Eq.	351 <u>-</u> 9;3	4
28 g 49	245; 291;	C'M'wth Edison Comm. Saterlite	261 ₄ 391 ₇	14
50 g	818 3114	Conn Lita Ins	10» 341,	31
251g 251g	21:3	Con. Edison NY	14 ; 24 ; 82	4: 4: 2:
20 g 14 a 24 le	33 ig	Consol Nat. Gas	22 364 22:	19

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_H	1978 igh		Stock !	Mar.	19' High	78-79 Low	Stook	Mar.		78-79 , Low	i itook	Mar.	191 High
. 8	41 ₂	451 ₄	CPC Int'restions	52% 504	3414 881 ₂ 331 ₂	224 66	Johnson Johnson	23 673g	581 ₄	48 254	Revion.	485	2244 714
3	612	25: ₃	-Crocker Nati	, XO.44	3814	2214	Johnson Control. Joy Manufacturg	27±	-64 505	52 L	Reynolds R.J	00 ig	631 <u>2</u>
. 4	214	29 lg	Crown Zellerb'h. Cummins Engine	345g	29 is 19 is	29 h	Kaiser Alumini'm		- 38 - 404	281 ₂	-Rockwell Inter	354	187 ₈ †95;3
	11g . 13, 1	11/g 194	Curties Wright	15 m 26 %	3012	177	Kaiser Steel	2414	65% 17%	541 ₂ 10	Royal Dutch		824 9,461
4	91 ₀ 71 ₀	34 25	Dert industries	5754	191 ₂ 15 281 ₄	1914 531 1959	Kay	15%	231 <u>a</u> 3034	181s	Ross Togs	978	
1	814 ° 412	25.ti	Del Monte	4814 10	524 584	401	Kerr McGee	25 504 274	457 ₈ 314,	2014 2017	Safeway Stores. St. Joe Minerals.	417 ₅	CA
I	45 54.	184	Detroit Edison.	15	80 241s	384 175	Kimberley Clark	45	344g 691g	254g 2914	Santa Fe Inds	29 8876	194
5	9 81	3874	Digital Equip	49 Ja	495a 485a	42 251	Kraft	4658	74 84	854 41a	Savon Inda	41.	1834 45
5	64 14 01	38 38 283	Daver Corp'ii	563 ₁	261g 421g	184	Leaseway Trans.	195, 41%	1654 10578 95	91g 644e 151g	Schlumberger		29 . 88
- 3	4lg	35 %	Dravo Dravo	2614	281,	2512	Libby Ow. Ford.	2514	187 ₉ 24 Jg	124 17=	Scott Paper Scovii Mrg	167e	275; 251; 7.87
14	21 ₂	975	Dupont Eagle Pitcher	130 19×	401s	. 261 ₂	Liggett Group Lilly (Eli).	387g 314	678	61g	Saudder Duo Cap	Sia	655g 254
1	519 ·	4114	Eastern Airlines.	7 aç 60 is	28 5714	144 15		201 ₂	361 ₈ 304 ₈	185 201 ₈	Sea Containers	201	244
	118 .	38 .	Zaten nesta		27 26 jg	171g	Lone Star Ind'stal Long Isl'nd Ltd	22 la 1758	164 291 471 ₉	11 197 ₆ 251 ₉	Searle (G.D.) Sears Roebuok	200	.9.06 30,9;
. 1	21 ₄ :	144	E. G. & G.	1674	253s 4914	201a	Lubrizol	435g	. 365g 551g	284	SEDCO Shell Transport	64 LB	1714
3	54. 97a.	295r	Emerson Elegtric	351.	1816 13 4436	15 81 ₂ 324	MacMillan	1654 1134 334	39 la 3819	14 287 ₈	Signal Signode Corp	2274	†1234 1444 5534
4	Big 45 ₁ 31 ₂	1651 27bg 21g	EmeryAirFreight Emhart	274 LL	· 401s	291g	Mfrs. Henover	30 ia	145g 237g	84g	Simplicity Pat	117g 185a	223s
3	5 ji 5 ji	21 to 255	Engelhard	3414	5951 1756	40 114	Marathon Oil Marine Midland,	601g	501g 10054	501g	Smith Inter	89	261s
24 5:	4 14 ' 2 io	18 451a	Exxon.	23 50	3514	1554	Marshall Fleid	1576	5 lg 45 lg 27 l4	18 18 285s	Solitron Southdown	51 <u>0</u> 41 4 2634	5,87 \$1
44	9 i j	23 301 ₂	FairchildCamera Fed.Dept. Stores	201	2714 591a	2074 325	May Dept. Stores	997s 403e	175g 30	13.5 265a	Southern Cal.Ed. Southern Co Southern Nat Res	14 337a	33 38
	أيداث	154 164 244	Firestone Tire First Chicago	174	311g	195 ₁ 225 ₄	McDermott	1934	3414 3614	25le	Southern Pacific	281g	1414
2	84a 5 81 ₃	137g	Fig. Nat. Boston ; Flexi Van Flintkote	14 281 ₂	331 ₂ 69	16 <i>5</i> a 26	McGraw Hill	24 ig 3154	341g 291g	2214 233e	Sw't Banshares	26 233a	154
3:		2878	Florida Power		71% 24%	485s 133s	Merck	64 Sg	2314 49	145	Sperry Hutch Sperry Rand	151a 455a	195g 225g
24	Blg .	2012	F-M,C	2314	265g	1256	Mesa Petroleum-	36% 21	295a	215g 221g	Standard Brand	2278 2234	111
23	lg Sta	17	Ford Motor	41¼ 18¾	65% 78% 59%	4514 5869 4496	Minn Ming & Mtg Mobil Corpn Monagnto	724	4814 5839 4912	2458 44 2914	Std.Oil California Std. Oil Indiana	445g 553g	325. 2619 1836
	7g .	275s 5 s 18 s	Franklin Mint Freeport Mineral	29 kg 7. 36 kg	51 % 54 kg	395a 347a	Morgan J. P	4418	49 te	3414 1274	Stauff Chemical. Stauff Chemical. Sterling Drug	4618 3878 16	405g 824
3.	4	9414 712	Fruehauf	27	57 2814	33 23 4	Murphy Oil	407g 241g	3878 35	22	StorageTechnigy Studebaker Wor.	311g	391g :
15	ila				5234 2254	253a 14	National Can	307g 185g	467g 2734	3568 1578	Sun Co	441 ₄ 221 ₄	1554 42 101g
49 84	14	541 ₁		2414	2314	1839	Nat. Distillers	1912	3849 151 ₈ 535 ₄	185 ₄ 8;; 325 ₈	Technicolor	325g	46 515s-
31	lag Ity Ity	2334		9:4 25	175a 347a 62	121 ₂ 281 ₂ 361 ₄	Nat. Service Ind National Steel Natomas	31 14 4534	12476	9/14	TeledyneTelex	513a 1184	241 ₈
	4	14 .	Gen-Dynamics	161g 311g 46	70 241g	374	NCR	621 ₄ 225 ₆	3414		Tenneco	-	64 21 40
	14	26 ⋅ .	Gen. Foods General Mills	32 %	357 ₄ 153,	311a	New England Te Niagara Mohawk	3512 141 ₄	12 271 ₂ 245 ₅	2213	Tesoro Petr'leum	93 ₄ 24 3 ₆	271s
66 20	lig	165g	General Motors Gen. Pub Utij	5416 173a	12 18 24 273	958 1554 2034	Niagara Share N. L. Industries	95 <u>1</u> 201 ₂	924	33	Texas Eastern Texas Eastern	3934 7812	165g
33 31 31	-R	24 28 28 .	Gen. Tel. Elect	25 4 28 4 25 1	41:4 28:4	331 ₂ 234 ₆		221g 38	351g	2454	Texas Oil & Gas.	34	12 191
32	յլը .	9.3	Genesco	4	365, 1	2114	Nthwest Airliner, Nthwist Bancorp	25	5018 i	345 2214	Texas Utilities Times Inc.	301s	1814 1054
31 44	. 8	20 .	Geosource Getty Oil	28 lg	211 ₈	15% 15%	Norton Simon Occident'l Petrol	155 ₄ 185 ₄	56 324 194	157a	Trans	2138	4.95 26 is 86
32	34	931.	Cillatta	2414	283g		Ohio Edison		253s 384		Tran, America Transco Tran, Union	2334	154s 324s
18	and a		Goodyear Tire	17: ₈ 16: ₈	2534 (18	29 le	104	I ransway Int L	194	381g
32	Lá	25%	Grace W.R	26 12 26 12	2812 3434	251;	Owens Coming	2634 2634	401g	2612	Twoorp Travelers Tri-Continental	353e 17	441g :
34 14	5;	215g (25 îg 11 à 4	25 î. 25 î.	2175		2412	71 ₃ 415 ₆	2754	Triton Oil & Gas.	45g 331g	45 31
16 27	16	11 (Guif & Western	145g 235g	215 ₄ 225 <u>9</u> 103 ₄	1918		213g 2034 57g	40% 44% 51%	193	20th CentulyFox	35 ¼ 25 ₺	2.30
77 41	'a .	541 ₃ 291 ₂	Halliburton	681 ₂ 33	301s ·	20	Parker Hannifin.	245g 201 ₀	255g ,	1634	UG1	5158 1734	65 467g
22 36	lg ;	25 ta 😗	Harnischfeger Harns Corpn	2614	2214	1919	Penney J. C	21 29 lg	217g 1 4614 6314	30	Unilever	20 445a	2112
44 31		34 1 24 1	Heinz H. J Houblein	383g 281g	421 ₂ 34	301 ₂	Pennwalt	3134 334	295g	121 ₂	Union Bancorp	8159 25% 864	2.75 29 s
94	5 ₂ ; (6178 1	Hewlett Packard; (84	13% 37%	3173	Peoples Drug	105a 334s	111g	612	UnionCommerce!	9 601 ₂	251 ₂ 2.40
32 39	lg I	144	Holiday Inns Homestake	1534	35ig .		Pepsico	237g	60	41 ;	Union Pacific		193 ₄ : 141 ₂ :
75	، ایا	4 دا43	Honeywell f	53 to	3054 381 ₃	1714 25%	Perkin Elmer Prizer	275 ₄ 31 je	814 ; 154	67g '	United Brands US Bancorp	61 <u>a</u> 9	39 424
27	. :	17 :1 20 1	looyer losp-Corp. Amer louston Nat.Gas lunt (Ph.A.) Ghm	27 261 ₂	281 ₈	1758	Phelps Dodge Philadelphia Ele.	2 6 12	381g	2118	US Gypeum	287g	1512
24		וי איטו	HUTTON (E.F.)	LDJa	76 · 35:n	56	Philip Morris	67	294 325	214	US ShoeUS Steel	23 Ig	1014 365g
32: 47	- 1 3	34.1 1	.G. Industries	Ю	471 ₄ 281 ₂	325 ₆	Pilisbury Pitney-Bowes	524 24%	515g 333a 185g	1719	Virginia Floor	3134 131a	1754 1014
63: 41:	ka ¦a	355 l	ngersoli Rand nland Steel	54 ig	251 ₂ :	1718	Pittston	1954	304 294	1618	Wagreen	25	2.70 2978 4,55
151			nslico 1		593 ₈ :		Polaroid	3812	567s 317g	2912 :	Wailace-Mu <i>rr</i> ay . Warner-Commn Warner-Lambert	4412	131 ₂ 521 ₃
3151 271	ē 2	205a i	8M 30 tnj. Flavour 3 ntj. Harvester 3	225a	155, 311 ₈	13	Potomac Elec	1512	5114 3278	171	Waste-Man'ment Wells-Fargo	283	2514 1834
44 431	. :	26 lg li 34 ili	nti, Harvester nti. Min & Chem nti. Multifoods	1753 41g	923 253	753 ₁ 201 ₈	PPG Industries Procter Gamble Pub. Sery. Elec.	11 lg 11 lg	431 ₂ 387 ₈	25 1	Western Bancorp	247a	104
25 193	a . β	17 li 1312 li	nti. Multifoods 1	. 75g 1956	465; ; 201 ₈ ;	24 147g	Pullman	1214 1578	211g 241g	1458 .\	Western Union;	171 <u>2</u> 1768	153g i
485 151 333	2 !	62° II	nti, Paper A nti. Rectifier 1	.04 .04	2712 1 1658 5614	57g	Ruaker Dats 2 Rapid American J	.554 .	314 !	201g (V	Weverhaeuser	281g 183g	4434 1318
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i	101	Abitibi Páper 1814 Agnico Eegle 614 Alcan Aluminium 4114	Hoechst	aGelgyFr10 b. Part Cert.
į	24 L	Algoma Steel 971s	Horten	dit Suisse
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	3.83 153, 7.80	int. Pipe Line 17% Kaiser Resource. 1759 Luiri Fin. Corp 10% Lobiaw Com 81 4.40 McMilli n Bloed'i. 2319 Marks & Spencer 819		lop Rubber (OR
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	21 145,	Mountain State R 3,70 Noranda Mine 43 Norcen Energy 18%	Feb. 26 Frs. — Frs. 2 Ham Hool	kerker
	221	Numac Oli & Coci 2854	Afrique Occ'd't 350 24.75 6.8 Inter	Copper
	1.00	OakwoodPetro p 5.12 PacificCopper M † 1.76	Aquiteine 459 m 26,25 5.8 Jimt	oriana Mine is (David)
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	654	Patino	Carrefour	amar Miner Holdings
	0.80 1914	Place Gas & Oil 2,63 Placer Develop's 274	Ci- Bangaire 418.5 12 2.8 New	re Emporium
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	243 ₁ 251 ₂		Gen. Occid nt le 250 10.5, 4.2 Plon	r Exploration per Concrete
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	578 2218	Scoptro Res'urce 818 Seagram 3478	L'Oreal 15.98 2.3 Spar	acs Explore
	1.30 1.30	Sherritt G. Mines 934	Maisons Pheonx 525 39.8 7.6 Tool	has hare in
	225g	Steel of Canada. 2854	MoetHennessey 485	ern Mining (
2	43 ₄	Sceptre Res'urce' Sis Seagram	Gen. Occid'nt'le: 250 10.5; 4.2 Pion. Imetal. 57.8 5.7 9.9 Rack Jacques Borel 108.5 5.7 9.9 H.C. Lafarge 228 18.77 7.3 Sout L'Oreal. 1682 35.75 2.3 Thormal Comments of the Comment of the	401419
	164a	Toronto Dom.Bk. 2114	Pernod Ricard 291 7.5 2.5 PeugeotCitroen 370.1 17.5 4.7	NOTES: Ove
,	84 10	TransMount Piper 95g	Poclain 152.5 with	aolding tax. ◆ DM53 den
	94	Union Gas 1034 UntdSisone Mnes 978	Rhone Poulenc. 102 9 8.9 other	stated. ∓ K wise stated
1	2685 at D1	UnidSiscoe Mnes 978 Walker Hiram 414 West Coast Trans 1278	Skis Rossignol 1.800 39 2.1 end/	or scub as

ings inportum international in H'dings (50c). In H'dings (50c).	13.26 11.84 12.63 11.60 11.55 11.60 11.51 10.41 11.46 10.64 11.45 11.45 11.65 11.65 11.65 11.65	+0.02 +0.01 +0.02 +0.03 -0.01 -0.03 -0.03 +0.02 +0.02	OK Bazaers Premier Milling Pretorie Coment Protes Holdings Rend Mines Properties Rembrandt Group Retco Sage Holdings SAPP! C. G. Smith Sugar SA Brewerles Tiger Osts & N. Mig. 1 Unisec Financial Rand (Discount of 4
453 denom. unie: ed. 4 Kr. 100 der stated. 1 Yen 5 on. a Florine. b cnp lasue. e Per ip end/or rights	as other iem. unli i) denom Schilling share, j	wise at this other to unite the contract France	premium. Belgian divides sted. V Ptas. 500 denom- service stated. V Frs. 500 des se otherwise stated. V Pric sens. 4 Dividend efter pe s. 4 Gross div. 11. h Assur r local taxes. 11. h Assur r local taxes. 11. h Assur riplit. 4 Dry. and yield 44.



Offer

10.32

6.090

7.12°

7,120

10.12

7.03

7.44

6.20

6.50

7.25

2.87

3.00

3.86

13.00

7.87

9.00

CCF

Société Générale

Salomon Bros.

Morgan Stanley

Dresdner Bank

Dresdner Bank

Deutsche Bank

Bayerische Vereinsbank

WestLB

WestLB

58C UBS

UBS

SBC

SBC

S. G. Warburg

S. G. Warburg

Nat. Bank of Kuwait.

Merrill Lynch Int.

Crédit Suisse First Boston

Man. Hanover Ltd., BNP

100

100 100

100

INTERNATIONAL CAPITAL MARKETS

BY OUR EUROMARKETS STAFF

CURRENT EUROBOND ISSUES

Av. life Coupon

7

7

3}

13

7

1994 1984

1985

1989

1985

1991

Not yet priced. ‡ Final terms. ** Placement. † Floating rate n †† Registered with U.S. Securities and Exchange Commission Note: Yields are calculated on AIBD ba

1984/89

n-a.

71-7.

100

306 500

NTERNATIONAL BONDS

Another big week for Sterling bonds

RADING and new issue ing to invest overseas, or foreign be managed by Istituto Bancario new offerings, a slightly lower. In February, DM 950m of civity in the main sectors of companies planning investment. San Paoli di Torino, will be level in Eurodollar interbank bonds were scheduled but about tivity in the main sectors of

day March 5 197

1489.8 7529.1 2.273

Mar. 3

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Maria Nord S.

MARATTA DE MARTE DE M

WILL

Yokado

The running in Eurobonds as largely made by Eurosterng and Special Drawing Rights sues, a reflection of the ecalmed state of the dollar and

S. G. Warburg took speedy dvantage of an extraordinary hase in the gilts market to unch a Eurosterling bond for inance for Industry. So fast ere gilt prices moving that are offered yield of 13 per cent as quickly left high and dry y the equivalent gift yield. By le end of the week the latter as 121 per cent for 11 years.
Varburg raised the size of the ond from £10m to £15m but ven so the issue was massively

versubscribed. With this success behind it. he market was almost unani-nous on Friday night that more 9 per cent and priced at par, are an attractive proposition for this terling - issues would appear, et no names were mentioned. t remains a borrower with ather specialised requirements denominated in the IMF's hat is willing to pay 13 per accounting unit. new issue scheduled is \$75m in

ent for a decade.

Obvious candidates are Euroean agencies like the ECSC or he ElB, British companies wish- Investment Bank. The issue, to

ie international bond market in Britain. The notion of floatwowed to a snail's pace last ing Euro-sterling bonds to buy tive. The yield differential is offering 9; per cent. vanishing, perhaps to compen-

A BLOCK of the \$50m 51 per

cent convertible from Honda

Motor, offered late last month

at par, changed hands last week at what dealers des-

cribed as the "unbelievable"

Veteran traders reckon this

marks the sharpest, swiftest

rickety reputation.

The new launching in SDRs

borrower, whose capital is also

In Eurodollar bonds, the only

two-tranches for the European

largely placed in Italy. The rates, and more tangible signs one third of the volume never \$50m seven-year transle bears of a U.S. economic slowdown reached the market. gilts-is today much less attrac- 9; per cent, the \$25m 12-year may be leaving bonds in a slightly stronger technical posi-There was general market tion, analysts suggest.

The great Honda backfire attractive. Unsettled by oil price rises and the China/.

Vietnam conflict, the Tokyo

fall by a new bond in recent The bonds were offered with the conversion price fixed at Y532 or 9.9 per cent above Honda shares' closing price on February 20. Since then, the yen has weakened

market, analysts said.

in 1974/75

Stock Market has also been in retreat. The 12 per cent cut in the nominal value of the Honda bonds means that holders are against the dollar, making the incurring a book loss of S6m conversion incentive less between them.

The \$100m Citicorp floating sate for the secondary market's agreement with the decision by the managers Kidder Peabody rate notes were in strong last week to cancel the \$25m demand and started trading at of an SDR 20m five-year issue Itel bond. While the issue was 99-994 compared with its par from the Nordic Investment apparently fully covered, it pricing. Bank is reportedly already over-would have clearly moved to a would have clearly moved to a

In Deutsche Marks, the subscribed. The bonds, bearing deep discount in the aftercalendar of new foreign issues will be substantially lighter this month than at any time since last summer: a total of DM 450m worth of bonds, to which could be added an issue for an international organisabe listed in the calendar, is

The largest of the latest issues, which was postponed last month, is the DM 200m offering for Norway via Deutsche Bank.

Two further public issues, of DM 100m each, are expected through Dresdner Bank and Westdeutsche. Both are believed to be for European addresses. At the end of March Berliner Handels-und Frankfurter Bank is expected to announce a DM 50m private placement.

German bankers are optimistic that the Deutsche Mark markets have now seen yields rise to levels where stability in terms should be created. combination of heavy issuing activity and aggressive Government funding through schuldshein (promissory note) offerings had brought disarray to German capital markets, they noted.

One major German bank considers that prime quality names should command coupons ranging from 61 to 61 per cent for five-year nds, rising to some 7 per cent U.S. BONDS for 10-year offerings

U.S. DOLLARS

†Banco Urquijo

†Citicorp

Thailand

D-MARKS

Prov. Newfoundland

Banco de la Nacion

ࠠCity of Stockholm

†Megal Finance Banco Nacional de

Desarrollo

(g'teed Fuji Bank) 1**Lufthansa (Curacao)

±Nippon Kokan

§Chujitsuya Co.

Espanola

‡CNT

‡**Sweden

*Canada

**ESCOM

STERLING

*Autopistas Con.

SWISS FRANCS

Kontrolibank

(g'teed Mitsubishi Bk.) 200 †**§Honda 100

KUWAITI DINARS

Nordic Inv. Bank

SPECIAL DRAWING RIGHTS

BY DAVID LASCELLES

BY MARY CAMPBELL Record growth rate for Euromarkets

Seasoned dollar bonds have

meanwhile moved down further

to a level where yields substan-

tially over 10 per cent are fre-

quently being displayed—a

return to yield levels last ruling

Nevertheless, the absence of

ecord rate during the third predominantly from the supply juarter of last year, according o the latest figures from the Sank for International Settle- balance of payments deficit of nents (BIS). Growth of Inter- the U.S. and weak domestic denational lending was \$63bn to total of \$802bu on a gross basis nd by \$50bu after allowing for he fall in the dollar's value. titer excluding double counting lue to inter-bank business, the rowth of the market may be stimated at \$25bn, probably the ighest ever quarterly figure. The rate of growth was par-

icularly notable since there is sually a slow down of activity uring the third quarter. This harp rise may further stimulate iscussion of the Euromarket's ole in promoting currency in-"tability and upsetting domestic the actual figure was larger.

IONG KONG

side of the market. The combination of the continued large mand for credit in some leading industrial countries are quoted

It also notes that during the third quarter the international banking system was channelling funds into the U.S. on a net

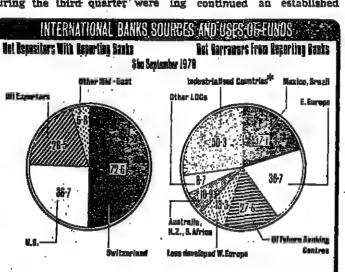
as the main culprits.

basis. A major source of funds borrowed on the Euromarkets was redeposited by central banks. The BIS has identified a \$7.8bn increase in central bank deposits with international commercial banks during the quarter, which means that

ionetary policies. Of the \$7.85n, more than It is important therefore to half was non-dollar deposits. ote that although the BIS attri- Algrough valuation changes—utes part of the increase in account for a big proportion of on iter-bank business to the re- this increase, over \$2bn of new ewal of foreign exchange deposits were identified as being parket unrest in the third placed by central banks in uarter of last year, it says that currencies other than the dollar.

Deutsche Marks, during the third quarter.

\$4.4bn net of an increase in major factor here. The biggest net borrowers deposits). This big net borrowduring the third quarter were ing continued an established



and the oil-exporting countries which trend. Venezuela. raised \$4.7bn of new loans (or raised a net \$1.7bn, was again a Eastern European countries

also increased their borrowing sharply-by \$3.9bn gross, or \$2.8bn net of an increase in deposits. This brought the total increase in their borrowing during the first three quarters of the year to \$7.8bn.

Since recorded medium-term loans and bond issues amounted to only \$3.8bn during the whole of 1978, it may be assumed that East European countries have been doing a lot of borrowing on a private basis from western banks. Poland alone increased its borrowing by over \$1bn during the third quarter, while in-creasing its deposits with international banks by under \$100m.

Despite \$5.8bn of new borrowing, non-oil less developed countries again became net suppliers of funds to the international banks during the thirdquarter.

FORCES BEARING on the an dthat last week, without procredit markets are now so ducing any firm trends.

contradictory that you can into them what you will. Those who think— 5 points after having shown or hope—that bond prices will some strength in the middle of will. rise point towards the decline the week, but yields on indusin the leading economic indica- trials and utilities were genertors for the third consecutive ally up by about 5 points. month, the continuing drop in the money supply, and the fact that key interest rates like Fed funds and the prime have been stable for nearly two months.

All these suggest that the much predicted peak in the economic cycle is at hand...

But those who are bearish about prices argue that the decline in the leading indicators is due mainly to the drop in the money supply, which no one believes in any more. They also point to the persistence of inflation, now likely to be boosted by higher oil prices, the fragility of the dollar, and the chance that the present economic boom. could last till the end of the year before running into a credit crunch.

Yields on medium

A host of contradictions

treasury issues were down 3 to According to Salomon Brothers' estimates, yields and new medium and long term triple A utilities ended the week at 9.65 per cent, with top grade industrials yielding 9.40 per cent in the medium term and 9.20 in the long term.

But though appeared to end the week on stronger note, new issues indicated that underlying trends. are mixed. The latest Bell System issue on Tuesday, \$250m of South Central Bell debentures due in 2019, carried an interest rate of 91 per cent, and were priced to yield 9.66 per cent. This is the highest yielding Bell issue for three years, and it sold briskly.

But two Government issues brought declining yields. The Such opposing views explain sale of \$2.5bn of four-year notes why the market moved this way produced an average yield of

9.35 per cent, less than the 9.45 per cent of last December's sale of similar notes. The sale of one-year notes produced a dis-count of 9.485 per cent, again slightly below the January level.

The week's only Yankee bond sale, Stockholm's tripple A\$60m of 91 per cent debentures, was priced at 99 to yield 9.88 per cent, unchanged from Norway's issue in mid-January.

Tomorrow brings the latest consumer credit figures for January. These are expected to show a further rise as the consumer persists with his spending spree to beat inflation. The high level of consumer credit is already a source of

Mr. Alan Lerner, economist at Bankers Trust, says he expects another "dismal showing the PPI, probably approaching January's 1.3 per cent. But the economy's high level of activity has brought "tremendous vitality" to the employment market, he says, and the un-employment figures "could employment figures notch downwards, or at least

FT INTERNATIONAL BOND SERVICE

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or in part in any form not permitted without written consent. Data supplied by Inter-Bond Services (a sub-



 No information available previous day's price. † Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week= Change over price a week earlier. FLOATING RATE NOTES:
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otherwise indicated. M=Minimum coupon. C.dte=Date next
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otherwise indicated. Chg. day: Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares. The list shows the 200 latest

international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Bondirade; Krediethank NV; Credit Commercial de France; Credit Lyonnais: E. F. Hutton Services SARL; Commerzbank AG; Deutsche Bank AG: Westdeutsche Landesbank Girozentrale; Banque Inter-nationale Luxembourg; Krediet Bank Luxembourg, Algemene Bank Nederland NV: Pierson, Heldring and Pierson: Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Bank of Switzerland, Action and Smithers; Bankers Trust Inter-national; Banque Française de Credit International; Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company; Dilion Read Overseas Corporation; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank: IBJ International; Kidder Peabody International; Merrill Lynch; Horson, Stanker, Linear, Stanker, Linear, Lynch; Lyn Morgan Stanley International: Nesbitt Thomson; Salomon Brothers International: Samuel Montagu and Co.: Scandinavian Bank: Strauss Turnbull and Co. Sumitomo Finance International G. Warburg and Co.; Wood

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1973 Asten Martin VS Aute. anished in Old English Pewter with Beige Hide. Interfer. air cond., radiojstorco. 1 owner, 13.000 miles, juli service history. 1979.50 or £518 monthly.

1977 'S' Asten Martin VS Vantage finished in Cricket White with Black Hide Interior. air cond. 5 speed manual oparbon, radiojstorco. 1 owner, full service history. 6,000 miles. £21,950 or £579 monthly.

MERCEDES

PIERCEPES

1978 450 SLC finished in Classic White with Charton valour interior, air cond., electric annool, alloy wheels. Becker Mexico, 4,000 miles, service history, 522,950 or £555 monthly.

1972 TT 280E finished in Medium Blue with parchment cloth, electric tenroof, three glass, radio, 5,000 miles, service history, 572,955 or £377 monthly, 1979 280 St finished in Milan Brown with parchment cloth upholstery, electric surroof, alloy wheels, timed glass, delivery milesge, £15,950 or £414 monthly, 1978 490 SLC finished in Com Gold with parchment velour, air cond, silvery surroof, alloy wheels radio[stered, 9,000 miles, service history, £22,856 or £15,950 or £74,850 monthly.

surroof, alloy wheres a surroof of the surroof, alloy wheres in Graphite with leather interior, air tood, electric 1978 of 450 SEL finished in Graphite with leather interior, air tood, electric Mexico radio(sterce, 4,000 miles only, survice platery, 233,950 or £522 monthly, 1978 350 SL finished in Minosa with Green upholstery, rear chite's seat, control locking, tinted glass, radio, 1 owner, 2,000 miles, £17,950 or £488 monthly, locking, tinted glass, radio, 1 owner, 2,000 miles.

BMW

1978 633 CSI Anto. finished in Flord Blue metallic with Blue velder Interfective surroof, tinted glass 6,000 miles, 1 owner, service history, £13,430 er £402 monthly.

1978 320 Anto. finished in Black with Grey cloth upholstery, tinted glass, £800-miles, supplied by ourselves. £5,750 or £175 monthly.

1978 323 I finished in Coral Red with Charcoal cloth, tinted glass, radiojsteres, £,000 miles, £7,495 or £134 monthly.

1978 77 120 Automatic finished in G-if Yellow, Charcoal cloth interior, PAS, miles and property of the finished in Reseda Green with Moss velour, spashing roof, alloy whoels, tinted glass, electric windows, centre lockstg. radio, £000 miles, 1 owner, £5,950 or £180 monthly.

1978 77 633 CSI Auto. finished in Reseda Green with Black Hide upholstery, sirk cond., electric surroof, Mahle wheels, limited sigh diff., radio, stopped, head Ismarians, 800 miles, £17,950 or £465 monthly.

1977 320 Auto. finished in Flord Blue with Blue cloth upholstery, tinted glass, alloy wheels, radio, supplied and serviced by ourselves, 14,000 trains. £5,483 or £142 monthly.

1977 320 Manual finished in Reseda Green with Belpe cloth upholstery, tinted glass, alloy wheels, radio, supplied and serviced by ourselves, 14,000 trains. £5,483 or £17,371 320 Manual finished in Reseda Green with Belpe cloth upholstery.

1977 320 Manual finished in Retada Green with Beige cloth upholstory, tink glass, radio, supplied and serviced by ourselves. \$4 950 or \$128 monthly.

PORSCHE

1979 Rolls-Royce Shadow II finished in Willow Gold with Beige Hide us Brown Everflex root, delivery miletge, £39,950 or £1,058. 1978 'I' Rolls-Royce Shadow II Snished in Willow Gold with Beige Hige uphoistory, made in dark brown, brown leather facile and knee roll, delivery mileage, \$28,950 or \$1,912.

1978 Rolls-Royce Shadow II britished in Shell Grey with Site/Gray Hide uply 1 owner, 3,000 miles. £36,950 or £960.

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Wainut, Champagne leather.

1978 Mar. Roils-Royce Silver Shadow II Saloon.
Silver Chalice, Blue Everflex roof, Surf Blue leather. Speedometer reading 3,500 miles.

1976 Aug. Roils-Royce Silver Shadow Saloon.
Wainut, Beige leather. Speedometer reading £26,750 1978 Feb. Rolls-Royce Silver Shadow II Saloon.

1976 Aug. Rolls-Royce Silver Shadow Saloon. Willow Gold, Black Everflex roof, Black leather. Speedometer reading 19,000 miles. £26,750 1976 Jan. Rolls-Royce Silver Shadow Salson. Walnut, Beige leather. Speedometer reading 41,000

miles.

125,000

1973 May Rolls-Royce Silver Shadow Saloon.

Black over Walnut, Black leather. Speedometer reading 38,000 miles.

1973 May Rolls-Royce Silver Shadow Saloon.

Carribbean Blue, Dark Blue Everflex roof, Magnolia carribbean Speedometer reading 55,000 miles. Caribbean Blue, Dark Blue Everflex roof, Magnolia leather. Speedometer reading 56,000 miles. £17,950 1971 Aug. Rolls-Royce Silver Shadow. Caribbean Blue. Black Everflex roof. Dark Blue leather. Speedometer reading 62,000 miles.£14,950 1971 Oct. Rolls-Royce Silver Shadow. Deep Indigo Blue. Black Everflex roof, Dark Blue leather. Speedometer reading 65,000 miles. £14,950 1969 June Rolls-Royce Silver Shadow HJM/PW 2-door Saloon. White, Black Everflex roof, Black leather. Speedometer reading \$1,000 miles. £14,750

GUILDFORD dbridge Road, Guildford, Surrey. Tel. 89231. Tbr. 859255

1978 Aug. Rolls-Royce Silver Shadow II in Willow Gold with Brown hide and Brown Everfiex roof. Under 2,000 miles indicated. Price on application 1977 May Rolls-Royce Silver Shadow II in Silver Sand with Dark Brown hide. 25,000 miles indicated.

1977 Feb. Rolls-Royce Silver Shadow LWB Saloon 1977 Feb. Rolls-Royce Silver Shadow LWB Saloon 1976 Feb. Royce Silver Shadow LWB Saloon 1976 Feb. Royce Silve in Oxford Blue with cloth upholstery. 24,000 miles 1977 Jan Rolls-Rovce Silver Shadow in Le Mans Blue with Grey See Interior and Black Everflex roof. 22,000 miles indicated. \$27,500 roof. 22,000 miles indicated.

1974 June Rolls-Royce Silver Shadow in Shell Grey with Blue hide and Black Everflex roof. 17,500 824,223

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1977 Oct. Bolls-Royce Silver Shadow Series II. Saioon finished in Champagne with Brown hide upholstery. Speedometer reading 4,000 miles.

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1978 Lancia Beta 2000 Spyder Convertible with Hard Top. Finished in Metallic Red with Tan interior. One owner. Radio. Low recorded mileage. 1975 Mercedes 280SE Automatic Saloon, Finished

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New Rover 2600 Auto. PAS, electric windows. Finished in Turmetle. New Rover 2600 5-speed, PAS. Finished in

in Metallic Blue with matching interior. £8,995

Platinum.

New Rover 2500 5-speed, PAS. Finished in Midas.

1978 Jaguar 5,3 Injection Saloon Auto. Finished in Dark Blue with Biscuit leather. Air conditioning, Chrome wheels. Radio/sterso. Indicated mileage under 3,000. £11,950 Brown with Biscuit leather. Chrome wheels, radio/cassette. Indicated mileage under 15,000.

1976 Jagnar 5.3 Injection Saloon Auto. Finished in Dark Blue with Biscuit leather. Air conditioning. XJS alloy wheels. Electric sunroof. Indicated mileage under 23,000. micage under 25,000.

1979 Rover 2600 Auto. Finished in Dark Green
Metallic with Brown nylon. Power steering.
Tinted glass, Electric windows. Indicated mileage
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£6,995

under 1,000.

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1978 Citroen CX 2490 "Familiale" 5-seater Estate.
Finished in Gold with Brown velour. Indicated
mileage under 9,000.

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1976 Dalmier 3,4 Sovereign Auto. Finished in
Regency Red with Sand cloth. Indicated mileage
under 30,000.

25,945 under 30,000. £5,945
1977 Lancia Spyder 1600 Convertible with Hard
Top, Finished in White with Brown Parchment.
Indicated mileage under 9,000. £4,595
1976 Ford Granada 3000 GL Estate Auto. Finished
in Dark Blue with Blue cloth. Indicated mileage
under 29,000. £4,395

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1977 Nov. Aston Martin V8 Saloon, Finished in Milan Brown with Beige hide upholstery. Unique T'-registration number. One owner. Speedometer reading 14,000 miles.





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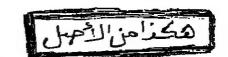
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Detailent: DRM S 25.40 01.248 9646
DRM Butterfield Skip, Hamilton, Bermuds. NAV Dec. 31............. SUS200.24 P.O. Box 315, St. Heller, Jersey. Commodity Trvst.,.....[103.95 109.42] Park Hse., 16 Finsbury Circus, London ECZ Tel: 01-628 8131, TLX: 886100 Surinvest (Jersey) Ltd. (x) Tet: 01-628 8133, TLX: 885/00
Lendon Asents Ior: \$100.99 \$1.02
Acchor 'B' Uolts: \$100.99 \$1.02
Acchor 'B' Uolts: \$100.99 \$1.02
Acchor 'B' Uolts: \$100.99 \$1.02
Acchor 'B' Lot 'S. \$100.99 \$1.02
Acchor Int. Fd. \$115.80 \$4.93 \$-0.32
Barry Pac Fd. \$15.28.00 \$2.97 \$-0.33
0.78
Berry Pac Fd. \$100.99 \$1.090
L. J. Acus Fd. \$100.99 \$1.090
L. J. Acus Fd. \$100.99 \$1.090
L. J. Australia Fd. \$117.7
L. Australia Fd. \$117.7
L. T. Dollar Fd. \$117.80
L. T. Pollar Fd. \$117.80
L. T. Pacific Fd. \$100.99
L. T. Pacific Fd. \$100.99
L. T. Pacific Fd. \$100.99
L. T. Philippine Fd. \$100.99
L. T. Philippine Fd. \$100.99
L. T. Lett. Ltd. Lda. Agrs.

Hambro Pacific Fund Mymt. Ltd. 2110, Connaught Centre, Hong Kong Far East March 2 His St M 14,82 Japan Fund Feb. 23 SUS9,51 9,98

Hambres F.G. engrs. (6.1.) Los. (9.25)
P.O. Box 86, Germsey. (9.10.04 (10.03) (0.25)
C.I. Fund (15.21 16.20) 3.70
John Bond SUS-102-09 165-25 1.50
John Bond SUS-102-09 165-25 1.50
John Eguty SUS-11 36 11.77 2.10
John Sups. (A. SUS-108) 1.17 2.10
John Sups. (B. SUS-108) 1.19
Prices on Feb. 28 Next dealing March 7.
FEXCURS Initial Charge to small order.
Mandancon Ravind Frant Mars. Ltd. Henderson Baring Fund Mgrs. Ltd.
605, Gammon House, Hong Kong.
Jacon Fund Feb. 28. USS214 22.57. —
Pacific Fund Feb. 28. USS9131 —
Exchance of any prelim charge.

Will Sampal & Co. (Co. 1) Hill-Samuel & Co. (Guernsey) Ltd. Hill Samuel Invest. Mgmt. Intol.

Hambres Fd. Mgrs. (C.I.) Ltd.

P.O. Box R237, 56, Prit St., Sydney, Aust.

javelin Equity Ts. ... |\$A2.43 2.55| ... | J.E.T. Managers (Jersey) Ltd.
P.O. Bory 98, Channel House, Jersey. 0534 73673
Jersey Estrol Tax. 1275.0 185.01 ... J
As at Jan. 31. Next sub. Gay Feb. 25.

Linion-Investment-Geseffschaft mi Postfach 16767, D 6000 Frankfort 16. United States Tst. Intl. Adv. Cu. 14. Rue 'Aldringer, Luaembourg. U.S. Tst. Inv. Fund| SUS10.56 |+0.09| 0.95 Net assets February 28. S. G. Warburg & Co. Ltd. World Wide Growth Managemento

103, Boulevard Royal, Linembourg

Worldwide Gib Fd SUS16.31 |+0.12| —

Wen Commodity Trust 10, St. George's St., Dauglas rold
Wren Commod. Tst. ...[211.7 112.8] -

Proces do not include S premium, except where indicated \$\frac{1}{2}\$, and are in pence unless otherwise indicated. Vields \$\frac{1}{2}\$- Ishown in last column allow for all buying expenses. a Offered prices include all expenses. B Today's prices, e Yield based on offer price, if Estimated, 9-Today's opening price, in Destribution free of UK takes. P Periodic premium insurance panels, s Single premium insurance c Nifered price includes all expenses except agent's commission, y Offered price includes all expenses in the price i

sia Trust Management (a)(g)

hange 133 - 1656 William Life Office Ltdy (a) h Hse. Tumbridge Well, No. 0892 22271
sh Life 54,9 541 +0.7 5.57
special 49,4 528 555
prices Feb. 23: Next dealing March 7. Shipley & Co. Ltd. F Founders CC, EC2 01-600 8520 5 Feb. 27 536 7 505.0 516 1 (c) 1 (d) 1 (e) 1 (e)

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In St. Potters Bar, Reds. P. Bar 51122

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Obt. 34.4 56.2 0.2 854

Accom 46.2 43.7 +0.3 834 जुल्हरी (James) Ningt, Lin. V n House, Newcaster open-Type 21165
n House, Newcaster open-Type 21165
care. Units #3 9.4.4 422
ph Yield \$2 9.4.5 \$33
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YOU? | Instruct Unit Tst. Mgrs. L2d. | Instruct Lane, EC2V 6HH | 01-605 9252 | 120 Mgrs. L2d. |

te answer for the control of the con Manulife Management Uti. Mayflower Management Co. Ltd. 14-18, Gresham St., EC2V 7AU. 01-606 8099 | Income Feb. 22 | 102-9 108-34 | 937 General Feb. 20 | 48.7 | 72.3 | 526 (marm), Feb. 20 | 46.0 | 48.4z | 3.00 retionary Unit Fund Managers miled St. ECZM 7AL 01-638 4485 95, CC2. 01-60-2167 Mercury Fund Managers Ltd. 160-60-2167 Mercury Fund Managers Ltd. 160-60-216 Winchester Fund Magt. Ltd.

Ol-606 2167

Whereury Fund Managers
30, Greshard St., £C29 2EB.
Were. Gen. Feb. 28 | 209.8
Acc. Units Feb. 28 | 75.0

Acc. Units Feb. 28 | 75.0

Acc. Units Feb. 28 | 75.0

Acc. Units Feb. 22 | 75.0

Acc. Units Feb. 23 | 75.0

Acc. Units Feb. 22 | 75.0

Acc. Units Feb. 23 | 75.0

Acc. Units Feb. 25 | 75.0

Acc. Units Feb. 26 | 75.0

Acc. Units thy & Law Un. Tr. M.V (a)(b)(c)

sham Rd, High Wycombe. 0494 33377

y & Law 171.0 74.71 +0.41 4.30

as Finlay Unit Trust Mingt. Ltd.

9. West Nile Street, Glasgow. 041-204 1321.

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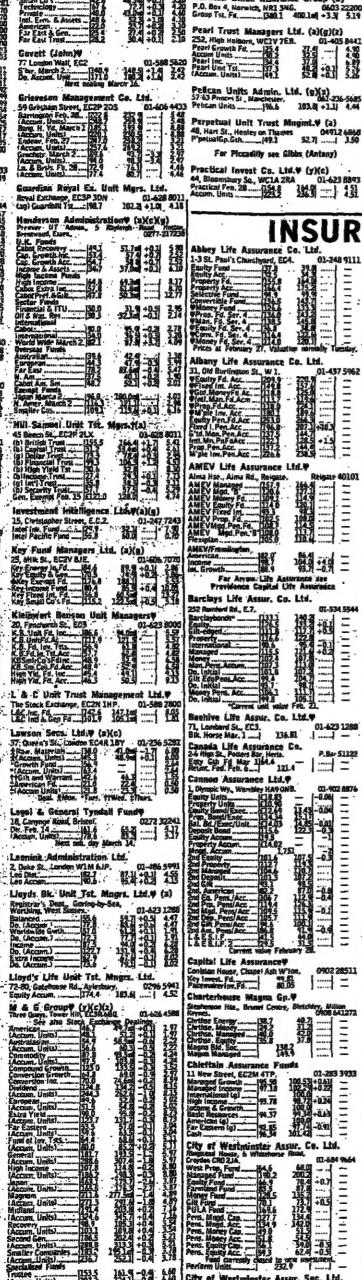
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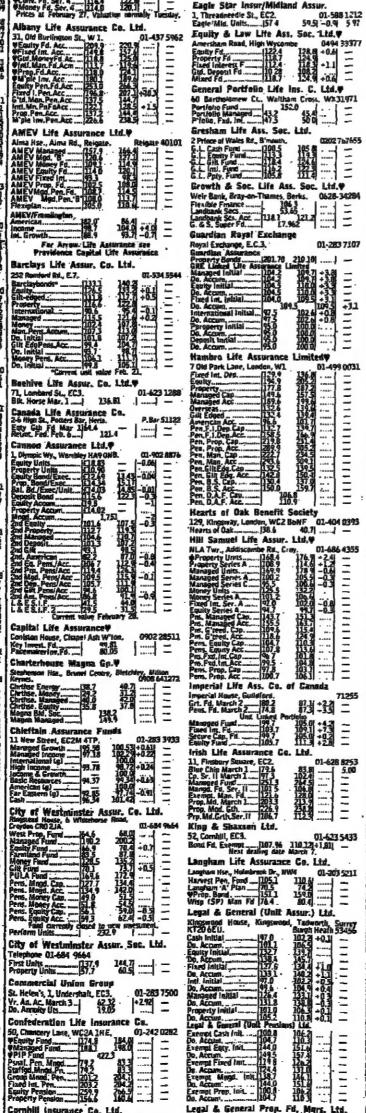
mlay lacone 55.5 55.5 3.65

m. Units. 27.3 54.6 3.05

m. Units. 37.5 5.5 5.5 3.65

m. Units. 37.5 3.6 MIDIATIO DATIK GROUP
Unit Trust Managers Ltd. V (2)
Courtwood House, Silver Street, Head,
Sheffledt, SI 3RD.
Commotity & Geo. 1734 79.9 0.11 4.86
D0. Accum. 36.5 94.2 0.11 4.86
Growth 36.1 38.9 0.11 3.44





252, High Holbert, WCIV 7E8; 03-403-841, Managed Fund 117-5 2227 -1-6 Equity Fund 122-6 225 -0.7 Property Data 1133, 425 -0.7 Property Data 1133, 425 -0.7 -Phoenix Assurance Co. Ltd. 86.9 Prop. Equity & Life Ass. Co.♥
119 Crawford Street, WIH 2AS. 01
R. Silk Prop. Bd. 188.0
Do. Equity Bd. 83 6
Flex Money Bd. 146.2 01-486 0857 71255 873 ÷23 = Property Growth Assur. Co. Ltd.4 01-623 5433 30 Usbridge Road, W12 BPG.
Sel Mkt. Fd Can. ... Ma 9
Sel Mkt. Fd Std. ... 102 D.
Pension Equity ... 123.9
Pension F nd. Int. ... 120.7
Deporit Fd Cap. ... 47 4
Equity Fd Cap. ... 48 4
Equity Fd Cap. ... 48 5
Equity Fd Acc. ... 49 1
Frd. Int. (ap. ... 49 1
Int. Int. (ap. ... 49 1
Int. Int. Cap. ... 49 1
Int. Acc. ...

Git. Mgd. 150.7
Property 529
Equity, American 51.0
U. K. Courty american 51.0
U. K. Courty for 146.5
Gih Edged 123.9
Money 128.0
International 103.1
Fiscal 136.2
Growth Acc. 136.1
Growth Acc. 136.2
Growth Acc. 163.1
Pens. Equity Acc. 163.1
Pens. Gif Edged Acc. 163.1
Pens. Gif Edged Acc. 163.1
Pens. Gif Edged Acc. 133.3
Pens. Cid. Dep. Acc. 133.9
Trdf. G. Bodd 137.2

Trdf. G. Bodd 147.2

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Tens. Gif Edged Acc. 137.2 Providence Capitol Life Ass. Co. Ltd. 01-749 9111 Confederation Life Insurance Ca.

| Confederation Life Insurance Ca. | East & General (Out Pealsman) Life | East | East & General (Out Pealsman) Life | East | East & General (Out Pealsman) Life | East | East & General (Out Pealsman) Life | East | East & General (Out Pealsman) Life | East | East & General (Out Pealsman) Life | East | East & General (Out Pealsman) Life | East | East & General (Out Pealsman) Life | East | East & General (Out Pealsman) Life | East & General (Out Pealsman) Li Vanisruph Life Assurance 41-43 Maridos SL, Ldn. W1R 9LA | Columber 01-405 9222 Reliance Mutual

Ruthschild Asset Management

Windsor Life Assur. Co. Ltd.

Vanbrugh Pensions Limited Vanbrugh, Lin. W1R 9t.A. 01-499 492 Managed U1167 1 112.8 — Equity. u1167 1 12.8 — Fixed interest 121082 111.9 — Property 121032 108 6 01-499 4923 Guaranteet see "Ins. Base Rates" table. Welfare Insurance Co. Ltd. Windlade Park, Earler. 0392-52155 Monteronker Fd. ...| 106.9 | +1.7| ... For other input, places refer to The London & Mancrester Group.

As at Jan. 31 Next sub. day Feb. 25.

Jardine Fleming & Co. Ltd.

45th Floor. Connaucht Centre, Hong Kong
Jardine Estr. 7ct. HAS313 99

Jardine Estr. 7ct. HAS313 99

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Reet sub. day February 28.

INTERNATIONAL

Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY

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FOOD, GROCERIES-Cont.

INFORMATION SERVICE SHARE FINANCIAL BULLETIN A quarterly source of fiscal, financial and economic information with expert and in-depth review material. CHEMICALS, PLASTICS-Cont. **ENGINEERING—Continued** U.K./F.urope 150 per year, Elsewhere 152 per year (Airmail 155 per year) International Economic Services Carrington House, 130 Report Street, London WIR 68]. Tel. No. 01 427 8484 Telev No. 24866 BANKS & HP—Continued BONDS & RAILS—Cont. Price of Met Cur Grs P/S Price at Net Cur Grs P/E Price Last Div % Red. Pantheon Securities Group Ltd. 15.66 14.44 16.71 14.40 12.55 13.34 July Occ. Kwik Saue 10p.
Dec. Aug. Lemons Gp. 10p.
Jan. Oct. Linfood Hidgs...
Detember Lockwoods...
May Bool. Lovell (G.F)
May Jan. Low (Wm.) 20p.
Oct. May Matthews (B)...
Apr. November Mays Trade Sto...
Apr. Moresner Harrs n(W.) 10p.
May May Needless
Aug. Apr. Northern Foods
Oct. May Nurstin Pk. 10p.
Dec. Aug. Pauto (P.) 10p.
Dec. Aug. Pauto (P.) 10p.
Jan. July Robertson Foods
Jan. September Somportex
Somportex **BRITISH FUNDS** Price Last Yield
£ of left Red. "Shorts" (Lives up to Five Years) 61₂ 61₂ 31₂ **AMERICANS** Last Offic. YM DRAPERY AND STORES or. Oct. ASA September | AMF 5% Conv. B7... Na. Ju.Se. De. | Amax S1 Hire Purchase, etc. Oct. Amber Day 10p | Sept. Strips Holes | 109 | 144 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 1 Ecc., 95c 1981.

Freas, Variable 816 96. 1110.

Freas, 12 top 1981.

Freas, 12 top 1981.

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Each, 94pc 1982.

Each, 94pc 1983.

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Each, 12 top 198 Oct Andiotronic 10p

Do 12c0-pp 11p

Feb. Baker's Strs. 10p

Sept. Beattile (J) 'A'

Now. Bentalis 10p

Bikma & Con. 20p

June Bolton Text. 5p

Mary Bremoer

July Brance Strs.

Aug. Brown (M) 20p

Apr. Bost of Gr. Sp

Moy Bremoer

App. Brown (M) 20p

Apr. Do. 'A' NV 50p

Mov. Cantors' A' 20p

Der. L'Eaclet (S.) 10p HOTELS AND CATERERS July Brent Walker 5p. 62 Comfort int. 10p. 30 BEERS, WINES AND SPIRITS F. RiyAuAI. Chase Minn. \$1.2.5.
Mr.Je. S.D. Chresbrough \$1...
Mr.Jn. S.D. Chrysler \$64...
Nr.Ja. N.F. City Inv. \$1.25...
Mr.Ja. N.F. City Inv. \$1.25...
Mr.Ja. N.F. City Inv. \$1.25...
Mr.Ja. N.F. Colgate-P. \$1...
Ma.M. Sc. De. Cort. Inds. \$1...
Mr.Je. S.D. Cort. Inds. \$1...
Mr.Je. S.D. Cort. Off \$5...
Ap. Jy. O.Ja. Crown Zeil. \$5...
J.A. J.O. Extra Trib. Extra Mr.Ju. S.D. Exxton | J.
J.Ap. Jy. O. Firestone The R.
Ap. Jy. O.J. First Chicago ...
J. Ap. Jy. O. Firestone The R.
Ap. Jy. D.J. First Chicago ... June Bell Arthur Sop Behaven Brevery Dec. Boddingtons ... July Border Brew's... Feb. Sevon (Natative) July Buckley's Brew... Aug. Bullmer(H.P.). Det. Clark (Matthew). Oct. Distillers Sop... Gordon (L.) 10p. July Gough Bros. 20p. Feb. Geneal Whitley. Feb. Geneal Whitley. Feb. Geneal Whitley. Feb. Gainness ... July Hight'd Dist. 20p. Oct. Jurergordon ... Feb. Insish Distillers. en Years

10212 | - | 12.36 | 12.42 |

2713 | 412 | 985 | 11.29 |

2724 | - | 12.80 | 12.51 |

280 | 59 | 8.35 | 10.63 |

80 | 80 | 87 | 7.56 |

1044 | 11.212.62 | 12.48 |

8034 | 811 | 10.45 |

1044 | 11.212.62 | 12.48 |

974 | 412 | 12.90 |

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Years reasury 10pc 1992...
xth. 124pc 92...
xth. 124pc 92...
unding 6pc 1993;;
reasury 134pc 1993;;
reasury 142pc 94;;
Over Fifteen
xth. 124pc 1994... INDUSTRIALS (Miscel.) Oct. Invergordon
Feb. Irish Distillers .
Nov. Macailan, Glen
Oct. Marson Thompson
Jan Moriand
Jone Sandernan
Aug Soott & New 20p,
Apr. Tomatin John Destituted 50p.

May Destituter 10p.

John Destituter 10p.

J ingersoil-R \$2 L (L International(III Kaiser AI, S) Maril, Han, US\$7-50 Morsan (UP) US\$2.5 Norion Sinco Inc. \$1. Owens-III, \$3.1.25 Qualer Dats US\$5. Rel Nav. Corp. \$5. Rep N.Y. Corp. \$5. Richdon. Meril, \$1. Saul (B. F.) \$1 Shell Oil \$1. Singer (\$10) Years 99 14 814 11 97 19 472 25 BUILDING INDUSTRY, TIMBER AND ROADS Oct. BOC lotal,
Nov. BTR.
July Baird (Wm.) £1
Sarget
Sarget Rd. R10c.
Barrow Hepbern
Mar. Bair & Portland.
Dec. Baxter Travend.
May Beatson Clark
Aug. Beacham.
Gellair Cos. 10p
Bentima.
Apr. Bertsfords.
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Jest Baggeridge Brit.

Dec. Barlet Ber 10p.
Dec. Barnett Dev. 10p.
Ber Ber 10p.
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Ber Ber 10p.
Ber Ber 20p.
Oct. Berford M. 10p
Aug. Bect Bros. 20p.
Oct. Berford M. 10p
Aug. Bett Bros. 20p.
May But Brown Ber May Breeden Lime.
Brit. Dredging.
Now Brown Asn. 20p
July Brownlee.
May Bryant Hidgs.
Jan. Burnett & H.
Arr. Burt Boutton £1
Jane C. Robe; "A' 10p.
July Carr (John)
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July Carr (John) Undated May Belddie Hides May Bifurcated E July Billiam (J.) 1 June Black Arrow ! Oct. Black (P) Hi New Bedycate Inf Oct. Beggd eV A' Lite Beggd e Med CANADIANS INTERNATIONAL BANK 15A |5pc Stock '77-82 | 84½ al | 161 | 5.99 | 18.43 CORPORATION LOANS 93½ 21 9.89 39½ 11.10 8.66 1004 25.10 12.40 99 11.112.63 91 19.10 19.28 1244 1220 1277 1270 1137 1237 1217 1277 1029 1181 Octionshen Se. Jüp.
Costain Group...
Do. Deld...
Apr. Countryside Sp. April Crouch (D.) 20p
Oct. Crouch Group...
Oct. Douglas Rott. M.,
Oct. D'wnieg S. H. 50p
May Erith
F. P. A. Const'n...
June Fairdough Cons...
July Feb. Intl. 10p MAINS AND HIRE PURCHASE

AND INTERPRETATION

A June Linrend
Lloyd (F.H.)
Luyl Locker (T) 5p.....
July Do. 'A' 5p....
Sept. London & Midl'd
Nov. M.L. Hokdings ... 412 51.14 **COMMONWEALTH & AFRICAN LOANS** 964 3011 5.76 1131 333 318 6.59 12.02 9444 291 6.34 11.65 791 1511 9.59 12.88 94 27.9 10.42 13.57 43 766 — FOREIGN BONDS & RAILS Price Last Dir % Red. Stack FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT Head Office: Bracken House, 10, Cannon Street, London EC4P 48Y Telex: Editorial 886341/2, 883897. Advertisements: 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: Frankenallee 68-72, 6000 Frankfurt-am-Main 1. Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1 INTERNATIONAL AND BRITISH OFFICES EDITORIAL OFFICES Amsterdam P.O. Box 1296, Amsterdam-C. Telex 12171 Tel; 240 555 Burmingham: George House, George Road, Teles 338650 Tel: 021-454 0922 8ann. Presshaus 11:104 Heustalfee 2-10, Telex 8869542 Tel: 210039 Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037 Caire. P.O. Box 2040. Tel. 938510 Dublin: 8 Fitzwilliam Square. Teles 5414 Tel: 785321 Edimburgh: 37 George Street. Telex: 72484 Tel· 031-226 4120 Johannesburg: P.O. Box 2128 Telex 8-6257 Tel· 838-7545 Lisbon: Praca de Alegria 58-10, Lisbon 2, Telex 12533 Tel: 362 508 Madnd: Espronceda 32, Madnd 3. Tel. 441 6772 ADVERTISEMENT OFFICES Birmingham, George House, George Road, Telex 338650 Tel: 021-454 0922 Edinburgh, 37 George Street, Telex: 72484 Tel, 031-226 4139 Leeds: Permanent House, The Headrow. Tel: 0532 454969 Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East, For further details, please contact: Querseas Advertisement Department.

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FINANCIALTIMES

Monday March 5 1979



FT BUSINESS OPINION SURVEY

Industry loses confidence

INDUSTRY'S CONFIDENCE

about the prospects for the UK economy has fallen to its lowest level since the end of 1976, when the International Monetary Fund deal was being

That is indicated by the latest cur Financial Times survey of business opinion, published this morning.

Executives in mechanical engineering, chemicals and oils, and transport and shipping referred to recent strikes, inflation prospects, low world trade and the Government's apparent inability to create a sound economic and industrial climate as contributing to the decline in their optimism about the UK economy.

The interviews were under-taken at the end of January and in the first two weeks of Feb-

J				
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EARN	INGS ON	CAPITAL		

hose expecting	eamîngs	during	the	1	Nov Feb.	Oct- Jan.	Sept- Dec.	Aug. Nov.	Eng'g. (non- elect.)	Chems.	Ship.
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		No com	nent		10	13	12	13	78	-	27

In particular, the FT survey

points to eased demand pres-

sures, with all three sectors less

4 monthly moving total

wave of strikes and industrial disputes. In view of the slight easing of labour relations in the past inclined to report increased formight and projections of orders than when asked in fortnight and projections of slower inflation, businessmen might be less pessimistic.
The detailed answers corres-

October. Export prospects are also less favourable, because of sluggish world demand and pond broadly with those of the latest Confederation of British Industry monthly trend inquiry, increased price competition. The change is reflected in the trend of deliveries and in replies about expected levels of

stocks and bought-in supplies. The survey suggests that industry is expecting wage costs to rise faster over the next 12 months. The median forecast increase has risen from just below to just above 12 per cent after stability for the past six months. The expected rise in total unit costs and output prices has accelerated slightly faster.

February 1979

Thomson CSF wins \$100m Soviet contract for phone equipment

electronics group, has broken into the international telephone equipment market with a major contract from the Soviet Union, believed to be worth more than

exchange system, is the first important overseas sale of modern digital switching equipment since the company moved into the market three years ago. Thomson, and its French rival

CIT-Alcatel are now both competing for the overseas business for which the British Post Office System X will be aiming when it is officially launched into the international market this Sept-

Continued from Page 1

UK-China

needed quicklyfi demonstrate the willingness of financial

emoer.

Thomson's deal with Russia in Greece for an MT 20 is an important milestone in the exchange. Thomson is also French Government's French Government's pro-gramme of support for its tele. Turkey (where production of

The contract, for the supply of technology and manufacturers, were developed by ing plant for 1m lines a year for its new computerised MT-20 exchange system, is the first contract, were developed by exchange system, is the first contract, were developed by the manufacturers.

200,000 lines of equipment a year is projected) in Bulgaria and in several African States.

Meanwhile CIT Alcatel has been scoring a number of interpolation of the MT-20 exchange system, is the first contract, were developed by the manufacturers.

The MT-20 is a fully digital system which is an advance on the earlier generation of which will be building the computer-controlled exchanges exchanges under licence. developed by ITT-the Meta-

to sell to Thomson three years ago. At the same time, Thom-son acquired control of Swedish LM Ericsson's subsidiary in

national successes with its E10 series of exchanges which are also fully digital. It has recently won an \$8m contract in Sri Lanka, for 28.000 lines in Colombo. The E10 system has now been chosen by 14 different. countries including Finland

CIT Alcatel, a subsidiary of (Compagnie General The Russian contract follows d'Electricite) has also been very

active in Egypt, where bids are shortly to be invited for a \$1.4bn telephone network modernisation scheme.

CIT has recently installed a new E10 exchange system in Alexandria which it flew out in six months, largely as a market-ing exercise. Its efforts appear to have persuaded the Egyptians to modify an earlier plan to give all the work to an American con sortium, and to split up the contract for international tender. Meanwhile in the UK, the British telecommunications companies armounced yesterday the

setting up of a joint promo-tional campaign for their System X. This is to be exhibited for the first time at the TELECOM 79 exhibition in

Labour Left wants £3bn public

success because it has increased and formalised economic and industrial activity between the faced the possibility of an early election, Labour Lefttwo countries. Some contract negotiations in areas such as coal-mining and power-station building has been

given a boost, and all the ten businessmen say that they have made valuable new contacts which could lead to orders In contradiction of present later in areas such as construction equipment and diesel engines.

Business missions are to be exchanged between the two countries on aircraft sales, including the controversial Har-rier jump jet, which was given a low priority this week.

Other missions will deal with coal-mining, coal sales, other mineral mining, railways, power generation, including hydro-electric installations, and telecommunications.

But all falls far short of the initial hopes of the Government, and especially the Industry Department, which thought late last year that the signing would be linked with conclusion of firm contracts for steelworks, power stations, coal mines, and other projects, possibly including the Harrier. Both the Government and individual industrialists may have been over-optimistic about

the ease with which Chinese orders could be obtained. The Chinese are trying to off-set costs of their projects by counter-trading and setting up joint ventures and other collaborative arrangements.

These may, for example, include the UK's helping China to sell her coal, and British Aerospace offering to make aero-plane parts in China, if it receives substantial orders for spending rise in manifesto

AS LABOUR MPs reluctantly Bryan Gould and Mr. Brian festo.

wingers launched a bid at the weekend to push discussion over the party's manifesto sharply to the left.

Government policies, the Labour co-ordinating committee demanded priority for creating full employment rather than overcoming inflation, and for an immediate increase in public spending of £3bn.
The committee, whose mem-

bers include Mr. Michael Meacher, a junior Minister at the Department of Trade, and wing backbenchers such as Mr.

Sedgemore, argued that Britain should expand its economy unilaterally. Going considerably further

than the party's National Executive Committee, it insisted on the inclusion in the manifesto of such traditional Leftwing demands as compulsory planning agreements, the abolition of public schools and the House of Lords, and a switch to single-Chamber government.

Since the document is far

more radical than the draft manifesto that the NEC produced and which the Cabinet is determined to water down before an election, it is highly unlikely that any of the coordinating committee's most controversial proposals will get into the final version.

Nevertheless, the document may influence the outcome of The committee normally asso the manifesto discussions by ciated with Mr. Anthony Wedg-strengthening the resolve of wood Benn but this time was Left-wingers on the NEC not to apparently acting independently be steamrollered into accepting of him, yesterday circulated all a more moderate line at the local Labour Parties with de- joint meeting of the Cabinet and

staple products of more than 15 per cent this year if a further drop in incomes is to be prevented, according to Mr. Richard Butler, president of the National Farmers' Union.

terms during 1978. In a letter to the Minister

The "green pound" is the

the National Farmers' Union.

Government figures show translating EEC farm prices incomes fell 11 per cent in real fixed in units of account into sterling. At present it is 29.7 per cent over-valued.

advance along the expansion adjustment would boost food guidelines laid down in the prices by 4p in the pound:

BRITISH FARMERS need an support prices in the UK by Brussels today. This would add increase in support prices for about 16 per cent—would less than 1 per cent to the staple products of more than increase retail prices of food food price index, the Ministry by about 3 per cent and add less than 1 per cent to the cost of the weekly of living index.

of Agriculture says. This would raise the cost of the weekly shopping for a family of three

by 17p.
While Mr. Silkin aims to push throng a modest price rise for UK farmers—and it is likely he may bid for a further 5 per cent later in the year if he is In a letter to the Minister per tent over-valued.

Today, Mr. Butler says the When applied to the Ministry price increase was necessary if of Agriculture's conversion the farming industry was to formula, the 15 per cent advance along the expansion adjustment would boost food guidelines laid down in the prices by 40 in the pound.

Still in the ministerial chair—the is insisting on a freeze in the "common" price levels.

The Commission, too, is aiming for a price standstill. There guidelines laid down in the recent White Paper, Farming and the Nation.

He claimed a 15 per cent devaluation in the "green devaluation of the "green pound"—which would raise prices by 40 in the pound.

Mr. John Silkin. Agriculture that the weight of support inside the Council of Ministers is shifting to the side of the group seeking a modest increase in common levels.

Drug-makers cut supply to maintain price

BY-SUE CAMERON, CHEMICALS, CORRESPONDENT

MANUFACTURERS have started cutting off supplies of prescription medicines to wholesalers in a determined drive to enforce pharmaceutical resale price maintenance.

Smith Kline and French, the U.S. drug group, has completely stopped supplies of prescription medicines to macarthys, one of the largest UK pharmaceutical wholesalers.

Beecham, the UK pharmacentical group, has removed Macarthys from its authorised list of approved whole salers and reduced the discount it normally offers Macarthys on National Health Service prices from 15 per cent to 10 per cent.

A few weeks ago Smith Kline and French halted all prescription drug supplies to Sangers and to Barclay, two major British pharmaceutical wholesalers. It has since reached agreements with both wholesaling companies, and deliveries to them have been resumed.

The big drug manufac-turers say the long-running over pharmaceutical resale price maintenance has erupted because they have finally managed to obtain hard evidence of the scheme being breached by wholesalers.

The Government-approved scheme bans wholesalers and retail chemists from selling prescription drugs for less than the price laid down by the manufacturer. The aim of the scheme-

resale price maintenance has been abolished for all goods except pharmaceuticals and is to prevent wholesalers launching a price war that could cause added suffering to the sick. Manufacturers claim some

wholesalers circumvent the scheme, though not by cutting price of prescription drugs as such. Yesterday Macarthys blamed smaller wholesalers for taking the lead in breaching the scheme. Macarthys said: "We were in favour of resale price maintenance but the scheme has now effectively broken down.

It is impossible to police itthe average retail chemist is not going to complain to the drug producers if he is offered a discount of some

"We believe that one reason the drug manufacturers have started cracking down on this company is that we have been honest about our activities. We have not directly breached the rules of the scheme." Smith Kilne and French

yesterday (March 4) agreed that price maintenance was difficult to police, but said it was important to continue the scheme because wholesalers could stay in business in the event of a price war only by reducing standard of

Monetary control reform urged

RADICAL CHANGES in the present system of monetary control with wide implications for banks and the discount market are proposed today by W. Greenwell, City stockbrokers.

The Bank of England and the Treasury have started a review of the management of the gilt-edged market in the wake of last month's confused events, in which much stock was sold at well below subsequent market prices.

The brokers, leading gilt market specialists, say that "people are right to be uneasy" about sharply changing gilt market and interest-rate gnt market and interestrate conditions. Although the underlying cause of the diffi-culties is the huge budget deficit, the obstacles have been aggravated by the system. of control, dating from the Competition and Credit Control statement of 1971.

Instead, they urge a change to a monetary base method of control which involves redefining bank reserve assets. That would reduce the role of the gilt-edged market and the discount houses.

W. Greenwell say that even within the present system, useful changes might include selling tap stocks rather than relying on raising interest rates sharply whenever sales dry up or firting with tender

Under the suggested monetary base system the reserve assets of the banks, on which they gear their operations and lending, would correspond directly with the liabilities of the central bank.

The main advantage of a change, according to the brokers, would be that a whole range of instruments and markets and the combina-tion of those would be sufficient to provide the Government's residual finan-cial needs, which would no longer have to be provided by

The brokers say that monetary base method would ovide a continuous, effec provide a continuous, excessive monetary growth, help to reduce the burden of debt interest if inflation fails: promote competition between banks, be much less complicated than at present; allow banks and discount houses to concentrate on practical banking; and allow the auth-orities not to be enforced sellers of long-dated gilt-edged stocks over short

Weather

Dry, oright periods. Max.
11C (52F).

Borders, E. Seotland,

Moray Firth

Bright intervals, perhaps showers later. Wind S.W.,
strong, locally gale. Max. 7C

Rest of Scotland, Islands. N. Ireland Occasional showers. Wind W., strong or gale. Max. 5-7C (41-45F).
Outlook: Becoming colder.
Rain then showers—wintry in

WORLDWIDE

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THE LEX COLUMN

Equities and the profits threat

Last week as two major com-panies, EMI and Hoover, warned of dividend cuts, sterling reached a trade-weighted index level of 64.5. To the dismay of exporters battling with labour costs which have risen at much faster rates than for major overseas competitors, sterling is at its highest for nearly a year, and against the dollar is at roughly the rate it was three years ago. Yet on Friday the FT Actuaries All-Share Index stood within 1 per cent of its stood within 1 per cent of its all-time high. Is the equity market blithely ignoring the threat of a nasty squeeze on the corporate sector, or has it already discounted such a phe-

The market has certainly not ignored the problems of the manufacturing sector: that much is clear from this year's leaders and laggards table. Bunched at the top are the financial and other service sectors property, banks, food retailers, and entertainment. Struggling at the bottom are textiles, motors, and various exporting sectors both visible (like engineers and toymakers) and invisible (like in-surance brokers). There are one or two exceptions to the rule, like the strength of electronics, and the political weakness of the breweries (which are well insulated from import pressures).

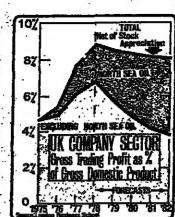
But it is a consistent picture for an economy which seems more likely over the next few years to be suffering from the Dutch disease than the spiral of devaluation which has domi-nated stock market thinking in the past 15 years.

Back on trend

Between the catastrophic year of 1974 and 1978 the profitability of British companies was recovering strongly. The share of gross trading profits, net of stock appreciation, in the gross domestic product had recovered by last year roughly to the long term trend line (though the trend is a declining one).

measured pre-tax profits inreased only by about 8 per in stock appreciation.

trading profits of industrial has been an actual appreciation and commercial companies (excluding North Sea oil) net of the pressures will not be stock appreciation indicate a evenly spread throughout the to cut back the public sector. rise of 19 per cent in the first company sector, however, demands for resources. But it nine months of 1978. This P and D point out that as they say, a time for see improvement in the prosperity about a quarter of UK tivity in the stock market.



of the corporate sector has been reflected in the requirement for external funds: the corporate sector's financial deficit appears likely to have shown only a modest rise from the low level

From here on the going is likely to get stickier, however. P and D, for instance, have been revising down their earlier estimates for pre-tax profits growth in 1979, and are now thing about 1 pranse of 1014 talking about a range of 10-14 per cent. Moreover, the quality of this growth will be poor; it will reflect a sharp rise in stock appreciation because of more rapid growth in wage costs and in raw material prices.

Elsewhere, the latest set of

forecasts last week from the London Business School also projected a deterioration in the financial health of the corporate sector. Non-North Sea gross profits uet of stock appreciation, after a rise of 17 per cent in 1978, are forecast to fall by 2 per cent in 1979. In fact there is estimated to be an overall improvement, at current prices, of less than 8 per cent over the next three years, a period which according to the LBS will see cumulative inflation of 36 per cent. The result will be a sharp fall in the share of profits in GDP starting this early 1980s.

conventionally Exchange rate

cent last year, according to the haviour of sterling could make industry could learn to latest estimates of brokers the immediate squeeze even Phillips and Drew, this takes no sharper. The profit estimates account of the sharp slowdown are based upon a trade-weighted depreciation of 3 per cent dur-The CSO's estimates of gross ing 1979. So far, however, there

by retailing and brewery panies, profits of which never actually fallen in calendar year since 1866. In problem will be essentially an of international competitiveness and thus will affect expertent and companies facing import competition in the domestic market (of which Hoover is to obvious extreme example)

Moreover a substantial pr portion of the profits of many large British companies h generated by subsidiaries or seas, where earnings should be reasonably buoyant given the pickup in the growth of world

So a profits squeeze conce trated upon the domestic man-facturing sector is not neces-sarily going to have a sever impact on the stock market in a whole. And it is worth bear ing in mind that there has been a strong correlation in recent years between the behaviour of currencies and domestic stee markets: the strength has been seen in markets like Japan and Germany, and the weakness is markets like Wall Street, eve when this has not fitted in win short-term profit trends h could be dangerous to be bearis about UK share prices if steet ling is to be relatively firm w at least is not to show weaker

Going Dutch

A key factor in the perfus ance of the stock market wi to a profits squeeze. If the investment plans are unrespo sive then their cash deficit i expand and the stock man will come under pressure. Se brokers are now projecting big rise in rights issues beleagured manufactu sector is squeezed out of the banks by a tight, mount policy and turns to sharehous Capel-Cure Myers, for instant thinks rights issues could but anything up to £2bn. On the other hand, companies and conclude that if Britain is a suffer from the Dutch distant for a number of years then are manufacturing investment is unlikely to a number of the second in t within its meagre means.

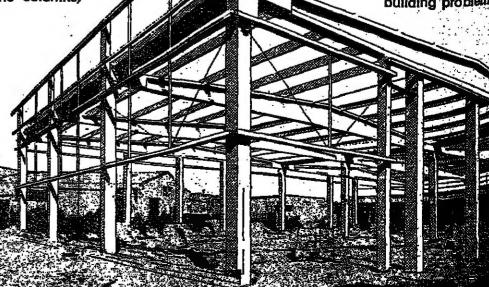
The corporate sector mix hope for a degree of relief free Conservative Government ready than the present Admir stration to slap on price of trols and further National Inst

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